

Tempe Streetcar Asset Assistance Program

PURPOSE

The Tempe Streetcar Asset Assistance Program provides low-interest loan opportunities to businesses directly adjacent to the streetcar route, so they can have access to funds during construction.

PARTNERS

- City of Tempe
- Tempe Chamber of Commerce
- SCORE (Service Corps of Retired Executives)
- OneAZ Credit Union

QUALIFICATIONS

- Business must be located adjacent to the Tempe Streetcar route
- Business must be independently owned and operated (three or fewer locations under same ownership).
- Business agrees to the terms of the credit line

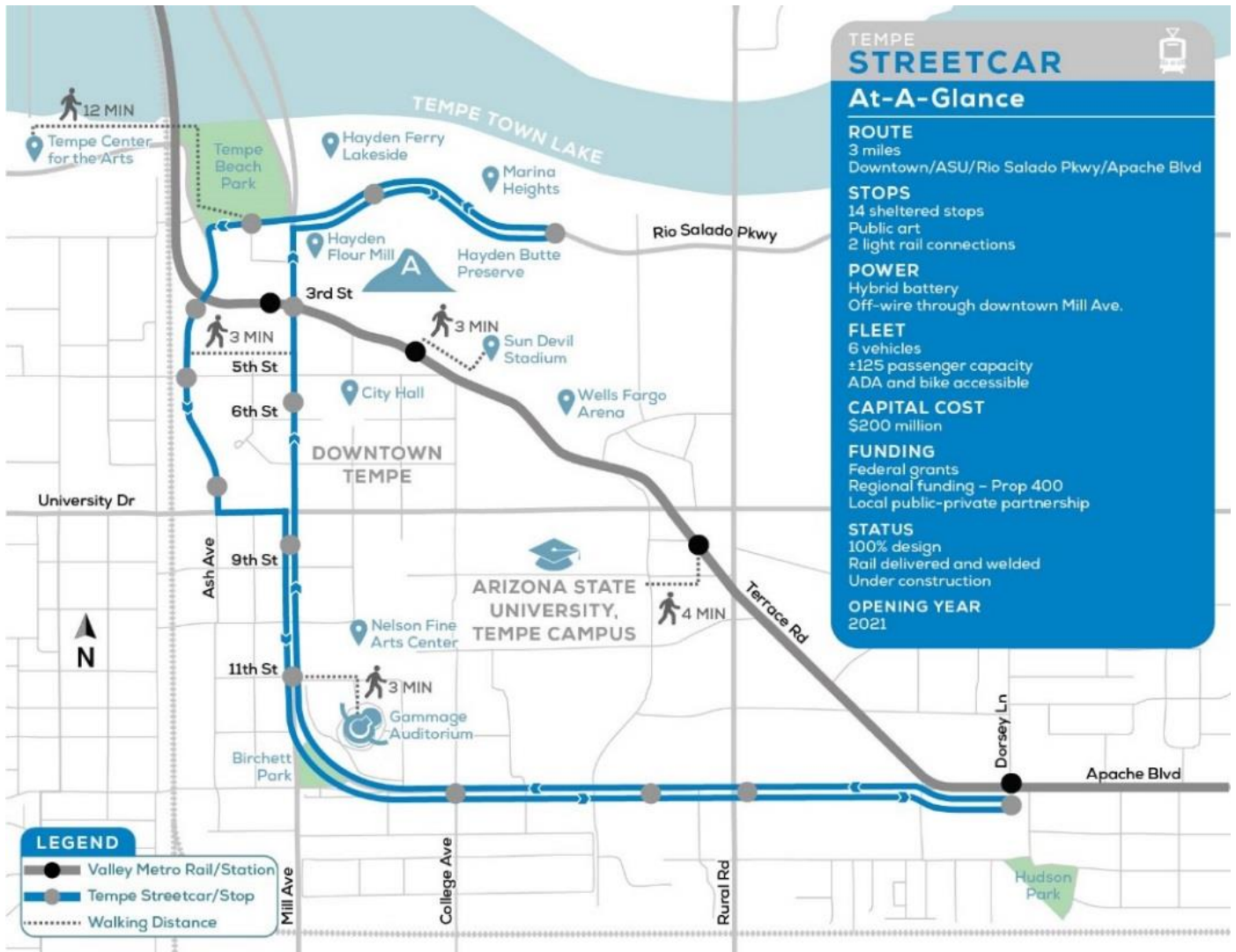
TERMS

- Business must meet with U.S. Small Business Administration resource partner SCORE division prior to submitting loan package. The SCORE representative will assist the Business with assembling the loan package. SCORE services are provided free of charge.
- Business must meet the following criteria:
 - In business a minimum of two (2) years
 - Have a documented current business plan
 - Be current in tax obligations
 - Be able to submit business related financial statements
- Business must establish a business account at the lender institution.
- A personal guarantee is required of the Borrower.
- Credit line is limited to \$20,000.
- Credit line interest rate is set at Prime +2%.
- Line of credit term is 48 months.
- Initial line of credit will be available until Tempe Streetcar begins operating (anticipated May 2021).
- Initial draw period is earliest of 24 months or resumed average monthly sales.
- Interest to be paid monthly on outstanding balance.
- Business may pre-pay at any time.
- Principal and interest due in full at maturity.

PROCESS

- 1) Borrower contacts a program partner (Tempe Chamber of Commerce, City of Tempe, SCORE or OneAZ Credit Union).
- 2) Borrower referred to SCORE for assistance and processing.
- 3) SCORE conducts a site visit to ascertain staffing, technology, inventory levels (if applicable), etc.
- 4) SCORE conducts review of business, including but not be limited to:
 - a. short business history from inception to date;
 - b. principals, their positions, duties, education and employment backgrounds;
 - c. client base and major clients; and
 - d. financial statements.
- 5) SCORE refers Borrower to OneAZ Credit Union for underwriting.
- 6) Loan determined by OneAZ Credit Union based on formal underwriting and credit approval process.
- 7) Approved loans will be documented, signed and maintained in file.
- 8) Borrower opens OneAZ Credit Union business checking account in which draws will be deposited.
- 9) Loan monitored to ensure compliance with draws and readiness for restructure and amortization.





DELINQUENCY

- 10-day reminder notice mailed to the Borrower
- If deemed necessary, OneAZ Credit Union may direct Borrower to SCORE for counseling (provided at no cost)
- OneAZ Credit Union begins collections based on company policies

DEFAULT

Borrower is in default when the loan becomes 60-days past due and reasonable resolution has not been reached. The total principal and interest becomes due immediately. City-pledged funds shall be utilized to offset any outstanding principal balances. The City shall pay the lending institution within thirty (30) days of notification of default.

CONTACT

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