



FALCON BANK

Member FDIC

We know what counts™



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How to Bring Investors /People To Downtown

Things to take in consideration:

1. Tax Abatements
2. Construction Programs Available
3. City Building Restrictions
4. Lending Programs
5. DORA





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Investment Injected into Downtown

Area in the last 3 years:

Retail \$400,000+

Bars and Restaurants \$200,000+

Government \$900,000+

Commercial \$1,700,000+

Residential \$400,000+

Multi-Family 2,200,000+

+ Other

**What will a Financial Institution require
In order to apply for a loan to invest Downtown?**

1. Loan Application
2. Business Plan
3. Summary of the Project including cost breakdown
4. Financial Statements and Tax Returns for the business
5. Financial Statements and Tax Returns from the owners
6. Other

What percentage of the purchase do Financial Institutions usually finance?

1. Real Estate
2. Furniture, Fixtures Equipment and Inventory
3. Revolving lines of Credit





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What programs are available for businesses to apply for a loan?

1. SBA 7a Program

The 7(a) Loan Program, SBA's most common loan program, includes financial help for small businesses with special requirements. This is the best option when real estate is part of a business purchase, but it can also be used for:

Short and long-term working capital

Refinance current business debt

Purchase furniture, fixtures, and supplies

The maximum loan amount for a 7(a) loan is \$5 million. Key eligibility factors are based on what the business does to receive its income, its credit history, and where the business operates. Your lender will help you figure out which type of loan is best suited for your needs.

Am I eligible?

To be eligible 7(a) loan assistance, businesses must:

Operate for profit

Be considered a small business, as defined by SBA

Be engaged in, or propose to do business in, the United States or its possessions

Have reasonable invested equity

Use alternative financial resources, including personal assets, before seeking financial assistance

Be able to demonstrate a need for a loan

Use the funds for a sound business purpose

Not be delinquent on any existing debt obligations to the U.S. government

Some businesses may not qualify for a 7(a) loan. Read more about [what the SBA considers an ineligible business](#).

2. SBA 504 Program

What is the 504 loan program?

The CDC/504 Loan Program provides long-term, fixed rate financing of up to \$5 million for major fixed assets that promote business growth and job creation.

504 loans are available through Certified Development Companies (CDCs), SBA's community-based partners who regulate non-profits and promote economic development within their communities. CDCs are certified and regulated by SBA.

Am I eligible?

To be eligible for a 504 Loan, your business must:

Operate as a for-profit company in the United States or its possessions

Have a tangible net worth of less than \$15 million

Have an average net income of less than \$5 million after federal income taxes for the two years preceding your application

Other general eligibility standards include falling within SBA size guidelines, having qualified management expertise, a feasible business plan, good character and the ability to repay the loan.

Loans cannot be made to businesses engaged in nonprofit, passive, or speculative activities. For additional information on eligibility criteria and loan application requirements, small businesses and lenders are encouraged to contact a Certified Development Company in their area.

How do I use a 504 loan?

A 504 loan **can** be used for a range of assets that promote business growth and job creation. These include the purchase or construction of:

Existing buildings or land

New facilities

Long-term machinery and equipment

Or the improvement or modernization of:

Land, streets, utilities, parking lots and landscaping

Existing facilities

A 504 loan **cannot** be used for:

Working capital or inventory, Consolidating, repaying or refinancing debt & Speculation or investment in rental real estate





3. Micro Loans

What is a microloan?

The microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000.

SBA provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers.

Am I eligible?

Each intermediary lender has its own lending and credit requirements. Generally, intermediaries require some type of collateral as well as the personal guarantee of the business owner.

How do I use a microloan?

Microloans **can** be used for a variety of purposes that help small businesses expand. Use them when you need less than \$50,000 to rebuild, re-open, repair, enhance, or improve your small business.

Examples include:

Working capital

Inventory

Supplies

Furniture

Fixtures

Machinery

Equipment

Proceeds from an SBA microloan **cannot** be used to pay existing debts or to purchase real estate.

4. Conventional Loan

These are regular commercial loans directly with a financial institution

That can include the purchase or construction of:

Existing buildings or land

New facilities

Long-term machinery and equipment

Working capital or inventory

Consolidating, repaying or refinancing debt
or investment in rental real estate





Other Services:

Insurance – Falconsure

Regular Banking needs – Checking Accounts,
Savings and Other

Letters of Credit – Commercial, Stand By and Evergreen

Investments – Falconvest

Food for Thought

Strolling around, drink in hand, basking in the sun – sounds dreamy, right?

Dora districts, or designated outdoor refreshment areas, allow for customers to purchase alcoholic beverages from participating businesses and sip while strolling. Alcohol consumption must be from a designated Dora cup, and patrons can't bring their own beverages.

