

# THE PHOENIX FUND

## WHAT IS IT?

The Phoenix Fund assists small and medium-sized businesses with affordable loans. It provides financial assistance for the construction and renovation of privately-owned commercial buildings; equipment purchases needed to operate a business, and, in some cases, working capital. ADA will provide loans of \$10,000 to \$100,000 at a rate below prime as a way of creating and retaining jobs for low/moderate income residents in the City of Atlanta.

## Details

### Typical Structure

Source	Amount
Private Financing*	67%
Phoenix Fund	33%
Total	100%

\* Private financing may include all or a combination of capital investment by the borrower or others, financing from private entities, SBA affiliated loan programs.

*Term of Loan*—Maturity rates range from 3 to 7 years (15 years for real estate).

*Rate of Interest*—The interest rate of the loan is one-half of the current prime interest rate and 2% ( $\frac{1}{2} + 2$ ), with a minimum rate of 4%.

*Collateral*—Subordinated mortgage or lien on assets purchased with loan proceeds. Personal guarantees and other nonprofit collateral may be required.

*Job Creation/Retention*—The project must create or retain one job for each \$15,000 loaned, and 51% of jobs should be made available to low and moderate income persons.

*Pre-Payment Penalty*—None

*Fees and Payment*—\$75 non-refundable payment upon receipt of application.

*Eligibility*—Most types of small businesses are eligible for the Phoenix Fund with the exception of non-profit businesses or financial institutions or businesses engaged in the sale of the combination of alcohol and nude dancing.

*Eligible Uses of Proceeds*—Working capital, machinery, inventory, leasehold improvements, land acquisition and development.

The Phoenix Fund program is funded by the Economic Development Administration (EDA) of the U.S. Department of Commerce and the City of Atlanta.

