

LOAN POLICY OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON:

Loans available for non-profit organizations in good standing with the Arizona Corporation Commission, qualified to do business in Arizona, operating in Southern AZ and have the legal capacity and authority to incur obligations required by the Tucson IDA

A. Loans to Non-Profit Organizations:

1. Standard terms and conditions apply.
2. Each loan must meet the following minimum requirements:
 1. Make economic sense
 2. Be payable from identifiable primary and secondary sources of repayment
 3. Be secured by adequate collateral
 4. Have a loan to value ratio of no more than **90%** of the lesser of cost or appraisal
 5. Be requested by an organization with demonstrable capacity
3. Special considerations may apply, at the sole discretion of the Authority, regarding loan amount and terms for projects meeting the current priority areas identified by the Authority.
 - a. Current Priorities (**FY 2010/2011**)
 - i. Downtown Development
 - ii. Warehouse Triangle District
4. Loans will only be considered for eligible projects which provide one or more of the following:
 - a. Economic Development / Business Expansion;
 - b. Affordable Housing;
 - c. Downtown, Neighborhood or Community Development.
5. Loan Terms
 - a. Maximum Loan Amount: **\$125,000**
 - b. Typical Loan Range: **\$35,000 to \$125,000**
 - c. Non-Profit Interest Rate: **6%**
 - d. Maximum Loan to Value: ***90%**
*lower of cost or appraisal
6. Fees:
 - a. Application Fee: **\$100**
 - b. Commitment Fee: **1%** of loan amount payable upon final loan approval
(non-refundable)
 - c. Closing Costs: Borrower responsibility
 - d. 3rd Party Fees: Borrower responsibility

B. Loans to For-Profit Businesses:

For-Profit businesses may apply for an "IDA Participation Loan" only, through a community based lead lender.