



# SSBCI Partner Presentation

January 28, 2025

PRESENTED BY

FAME & Urban Advisors



# Agenda

1. Introductions
  - FAME Team
  - Urban Advisors
2. Program Overview
3. Portfolio Overview
4. Eligibility Requirements
5. Eligibility/Application Process
6. Forms: Timing of Requisitions
7. Reporting: Expectations and Timing
8. Transaction Level Documentation
9. Revolving Fund Guidance
10. Administrative Fee



## SSBCI Program Overview

- Nationally 2021-2023 saw record new business starts — a monthly average of 440,000 (46% higher than the average of the prior four years combined).
- However, small, early stage, women- and minority-owned businesses and other underserved businesses continue to face obstacles financing their businesses.
- SSBCI helps fill those gaps by providing funding which allows jurisdictions to tailor small business financing programs to local market challenges and opportunities.



## SSBCI Program Statistics

- Nearly 3,900 transactions
- Nearly \$750 million of SSBCI funding expended
- \$3.1 billion in overall new financing for small businesses
- As many as 46,000 jobs are expected to be created or retained
- 75% of transactions support underserved businesses
- 78% of supported businesses had 10 or fewer employees

# Source: SSBCI Annual Report 2022-2023



## Maine

Allocation Amount:	\$63,039,633
Number of Loans/Investments	89
SSBCI Original Allocated Funds Expended	\$32,678,660
SSBCI Recycled Funds Expended	\$0
Total New Financing to Small Businesses	\$126,690,319

### TRANSACTION SIZE:

Median Principal Loan/Investment Size	\$410,000
Minimum Principal Loan/Investment Size	\$16,000
Maximum Principal Loan/Investment Size	\$15,070,510

### CHARACTERISTICS AND DEMOGRAPHICS:

SEDI (by Number of Transactions)	78.7%
VSBI (by Number of Transactions)	58.4%
Minority Owned (by Number of Transactions)	5.6%
Women Owned (by Number of Transactions)	31.5%
Veteran Owned (by Number of Transactions)	0.0%
Rural Area (by Number of Transactions)	24.7%

### BUSINESS AGE AND SIZE

Median Business Age at Loan/Investment	3
Median Business Size (FTEs)	7
Median Business Size (Annual Revenue)	\$135,882
Total Number of Jobs Expected Created or Retained	1,207
Jobs Created	419
Jobs Retained	788

## Discussion

- Socially and Economically Disadvantaged Individuals (SEDI)  
Market Penetration
  
- Highest Industries (Maine SSBCI)
  - Professional, Scientific, and Tech Services
  - Health Care and Social Assistance
  - Manufacturing



## Portfolio Overview

- To date, +/- \$39 million deployed
- Deployment per program
  - \$17.9 mm Direct Equity
  - \$21.4 mm Direct Loans
- Capital Available\*

<b>Loan Insurance</b>	<b>Direct Equity</b>	<b>Fund Equity</b>	<b>Direct Loans</b>
\$3.8 million	\$9.5 million	\$1.7 million	\$9 million

*\*Subject to Treasury and new administration*



## Eligibility Criteria

- Maine based company/nonprofit with fewer than 750 employees
- Match Requirement (public funds excluded)
- Private Capital at Risk
- Support loans/investments/projects up to \$20 million for legal business purposes

### **BUSINESS TYPES CANNOT INCLUDE:**

Speculative non-owner-occupied real estate, firms involved in lending, gambling, pyramid sales plans, financial institution, marijuana, and business prohibited by federal law



### ELIGIBLE

- Start-up costs
- Working Capital
- Business procurement
- Franchise Fees
- Equipment
- Inventory
- Purchases of owner-occupied non-investment real estate
- Purchase, construction, renovation, or improvements of an eligible place of business

## INELIGIBLE

- Refinancing existing debt\*
- Reimbursement of funds owed by any owner
- Repayment of any taxes
- Financing a non-business purpose
- Supporting an existing extension of credit
- Security purchases
- Acquisition or holding of any other real property for investment purposes
- Lobbying activities
- Owner buyouts or equity substitution, except situations resulting in employee ownership
- Purchase goodwill\*



# Timeline: Letter of Obligation

## FAME Timeline

### Complete Application Submission to Letter of Obligation

(BUSINESS DAYS)

DAY 1

DAY 7

DAY 10



MILESTONE

Submit Eligibility  
Application

Draft internal  
credit memo

Draft Letter  
of Obligation



ACTIVITY

Submit COMPLETE  
documentation  
request

Review & analyze ALL  
submitted documents  
(transaction & SSBCI  
related)

Present to internal  
approval members



# Timeline: Funding & Documentation

## FAME Timeline Letter of Obligation to Transfer of Funds

(BUSINESS DAYS)

DAY 1

DAY 2

DAY 5

DAY 10



MILESTONE

Send Letter  
of Obligation

Receive executed  
Letter of  
Obligation & wire  
instructions

Send wire

Receive ALL  
outstanding  
closing  
documents



ACTIVITY

Approval of  
partner funding  
request

Send wire  
instructions to  
FAME

Receive executed  
settlement  
statement from  
funding partner

Submit any  
missing or  
outstanding  
items



**Overall Transaction  
Funding Timeline: 3 Weeks**

## Review Application Steps

- Submit Eligibility Application via email to [grow@FAMEmaine.com](mailto:grow@FAMEmaine.com)
- For accepted eligibility determination applications (loans), submit loan application and required documents.
- Upon reviewing and accepting the complete documentation file, FAME will issue a Letter of Obligation (“LO”) to the lending partner based on specific deal parameters.
- Fund transfer request
- Loan closing and documentation submission



## Grow Maine Forms: Eligibility Determination Application

### Update to Forms

- Documents (all requirements regardless of transaction size)
- Importance of Completion
- New forms available at: [FAMEmaine.com/growmaineforms](https://FAMEmaine.com/growmaineforms)

EFF: 01/25

PO Box 949, 5 Community Drive, Al

- Bottlenecks/areas of confusion?
- General Questions



# Grow Maine Forms: Eligibility Determination Application

## Terms (FAME)

 FINANCE AUTHORITY OF MAINE	<b>Grow Maine Lender/Borrower Eligibility Determination Application</b>
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Upon **acceptance** of the Grow Maine SSBCI Eligibility Application, **FAME** will require submission of all attachments listed in the Lender Instructions before it will be **considered** for State Small Business Credit Initiative (SSBCI) funding.

**NOTE:** All direct loans and loan insurance must exhibit a private capital match to accompany the SSBCI funding. SSBCI financing requests require a 3:1 private capital to SSBCI funding match, and SEDI and VSB SSBCI financing requests below \$1 million require a 1:1 private capital to SSBCI funding match.

## Guidelines (Federal)

<b>LOAN INFORMATION</b> <i>Maximum Loan Amount - \$5 million and Maximum Overall Transaction Size - \$20 million</i>
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# Grow Maine Forms: Requisition and Certification Forms

 FINANCE AUTHORITY OF MAINE	<b>Grow Maine</b> <b>Exhibit B – SSBCI Requisition</b> <b>and Certifications Form</b>
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Please assign a "unique loan identifier" to each proposed loan. This number must coincide with future reporting on your "Annual and Quarterly Reconciliation Reports". This form must be accompanied by the signed commitment letter and Borrower's Certification (Exhibit C). FAME must approve all loans before submission of a requisition request. You must submit a copy of your loan analysis for the proposed loan into the SSBCI portfolio. If not defined herein, the terms used in this form shall have the same meaning as in the Participant Allocation Agreement between the Authority and the Participant.

SOURCES:		USES:	
SSBCI Funds Requested:	\$		\$
Lender	\$		\$
Borrower	\$		\$
Other/Private: _____	\$		\$
Other/Public: _____	\$		\$
	\$	Goodwill	\$
<b>TOTAL</b>	<b>\$</b>		<b>\$</b>

Please note that the funding partners must directly account for a minimum of 20% of the SSBCI Funds Requested on their balance sheet (Private Capital at Risk – PCAR).





## Grow Maine Forms: Requisition and Certification Forms

- **Exhibit C:** Borrower Certifications *(to be completed by Borrower)*
  - We have removed the Sex Offender certification for Lenders, this will be Exhibit F (new form)
  - Missing from this form was the “Gender” information, which will be added.
- **Exhibit D:** SEDI Certification *(address link added)*
- **Exhibit E:** Full-Time Employee *(verification to be completed at closing by Borrower)*
- **New!**

### Exhibit F: Lender Certification

*(to be completed by Lender)*

No principal of the Lending entity has been convicted of a sex offense against a minor (as such terms are defined in 34 U.A.C SS 20911). For the purposes of the certification, “principal” means the following: each of the five most highly compensated executives, officers, or employees of the entity, all Board members and each direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity.

Signature: \_\_\_\_\_

By: [Printed Name] \_\_\_\_\_

Its: [Title / Authorized Signatory] \_\_\_\_\_

Date: \_\_\_\_\_



## Transaction Level Documentation

- Validation of every transaction
- Track funds as if entire transaction were SSBCI funded.
- Expectation of receiving closing packages
- Seller notes, supporting bank notes, etc.
- Refer to application instructions at:  
<https://www.famemaine.com/growmaineforms>



## Reporting

- Reporting Process:
  - Quarterly email prompt to complete
  - Fill in Excel spreadsheet.
  - Utilize hover boxes for helpful hints to assist.
  - Follow on funding
- Submit reports by noted deadline.
- Will be requesting each participant agency's financials on an annual basis



# Recycled Funds Guidance & Reporting

- Recycle funds should be used AFTER all Tranche III funds have been fully dispersed.
- All new capital deployments and recycled dollars must be tracked during the compliance period (10 years post initial Tranche I award date).
- Recycled funds must be tracked and reported separately (in a quarterly report).
- Transactions with recycled funds must go through the same FAME approval process as new funding requests for the duration of the compliance period.
- Upon completion of the 10-year SSBCI program, funds will no longer be under SSBCI guidance.
- Program income and recycled funds must be used for SSBCI-approved purposes.



## TA Provider Contact Information

### State Small Business Credit Initiative (SSBCI)

#### TECHNICAL ASSISTANCE (TA) PROGRAM OVERVIEW

\$806,715 allocation

- Technical Assistance funds expand Maine's SBDC capacity and reach across the state. Resource is available to support prospective and existing borrowers and investees.
- Group or individual training
- No-cost guidance

[www.mainesbdc.org](http://www.mainesbdc.org)



## Administrative Fee

- .75% annual fee on originations, charged annually (compliance, oversight, maintenance, audits)
- Go live date is Tuesday, February 4<sup>th</sup>.
- Find updated forms at:  
<https://www.FAMEmaine.com/growmaineforms>
- Submit completed forms to [Grow@FAMEmaine.com](mailto:Grow@FAMEmaine.com)



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