



### **What is the BLU Fund?**

Business Loans of Utah (BLU) is a unique financial resource that partners with banks and municipalities to support economic development and job creation by funding small businesses within participating cities and counties which may not otherwise qualify for traditional financing. For every \$1 Class B Lenders (government entities) provide the fund, they will have access to \$7 in small business loan funds.

### **How does it work?**

Referrals can come from many sources including cities and counties' economic development department, local financial institutions or the small business owner may contact BLU directly or through its website [www.blutah.com](http://www.blutah.com). Once BLU receives the application, they will contact the small business and gather preliminary information. BLU then sends a summary of the information to the community where the small business is located. The community determines if the small business meets their parameters and, if so, the community gives approval to proceed with the full underwriting. BLU then works with the small business to gather all the information required in the application. Once the application is complete, BLU underwrites the loan, prepares a loan approval package for the BLU Credit Committee to review, recommends a loan structure and loan terms to the Credit Committee, and closes and services the loan.

### **How big is the fund?**

Currently the fund has a total of \$5MM available for small business loans. Lenders provide \$4MM in funding and cities and counties, along with BLU, provide \$1MM in subordinated debt. Additional lenders and cities and counties are being added.

### **Who are the participating members?**

The fund consists of three classes of members:

- Class A Lenders: financial institutions
- Class B Lenders: cities and counties
- Class C Lenders: BLU

### **What types of loans can BLU finance?**

- Equipment loans
- Real Estate Loans
- Inventory Purchase
- Accounts Receivable Loans
- Leasehold Improvements
- Working Capital
- Debt Consolidation

### **What are the loan terms?**

- Loan amounts: \$50,000 to \$450,000
- Term: up to 5 years
- APR: 8% to 18%
- Collateral and guarantees required
- Fees: non-refundable \$100 and loan origination fee at 2% of loan amount
- No prepayment penalties