





TN-ROF SUMMARY

- A revolving loan fund to provide loans to small-, women-, and minority-owned businesses that are unable to access traditional bank loans in rural Tennessee
- Public-Private Partnership between State of Tennessee, Tennessee Bankers Association, and Southeast Community Capital (a 501(c)3 corporation)
- Endorsed by the Tennessee Bankers Association
- Provides affordable loan capital to businesses that are unable to obtain bank financing, but have good opportunities
- Creates and retains jobs and wealth in Tennessee's rural counties that are most in need of job and wealth creation



Fund Structure

- *State of Tennessee*
 - 10% per year Franchise & Excise (F&E) Tax Credit for investing banks based on investment amount
 - For example, \$100,000 investment yields \$10,000 F&E reduction every year for 10 years from date of investment
 - Up to \$2 million Treasury Department Small and Minority-owned Business Program funds as loan loss reserve
- *Tennessee Bankers Association Member Banks*
 - Up to \$10 million of capital provided through CRA qualified loans (investments) to Southeast Community Capital
- *Southeast Community Capital Corporation*
 - Lending, Administrative, and Technical Assistance Duties
 - Returns investing banks 3% interest annually (paid quarterly)



SCC Overview

- Created in 1999, Southeast Community Capital (SCC) is a Community Development Financial Institution (CDFI) chartered by the United States Department of Treasury
- Endorsed by the Tennessee Bankers Association and recognized by the SBA and BREI with innovation and leadership awards
- SCC is the only CDFI in Tennessee providing loans to small businesses
- Investors include banks, the federal government, local governments, foundations, national intermediaries



As of September 30, 2009....

- \$9,875,000 in capital from 23 financial institutions
 - CRA eligible loans (investments) to SCC
- 49 loans to small businesses throughout TN
 - 44% to Minority-owned businesses
 - 47% to Female-owned businesses
- Total Amount of Loans Originated - \$5.9 million
- Average Loan Size - \$121,000
- 7:1 leverage ratio of public to private funds



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