

Pre-Screen Summary



2024-03-21

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Appendices:

Appendix A: Financial Statements

Add other appendixes as applicable

1. Term Sheet

Borrower:

Borrower Address:

Loan Amount: \$_____

Purpose of Loan:

Term of Loan: ____ months

Repayment Terms: *e.g. interest-only period, amortization, balloon payment, etc.*

Interest Rate: ____% *per annum*

Collateral:

Loan Fee: 2.0% of loan amount

Other Terms: *List any key closing conditions, monitoring requirements, etc, if applicable – besides standard LEAF terms*

2. Executive Summary

Approximately 1-page summary of project and financing request.

Sources & Uses of Funds

Sources		Uses	
Total Sources	\$_____	Total Uses	\$_____

3. Company Background

Describe company history, products & services, key individuals involved, etc.

4. The Project

Describe the current project for which funds are being sought, including:

- *Fit within company's overall strategy & growth trajectory (e.g. expansion, start-up, restructuring, etc)*
- *Specific uses of funds*
- *Other sources of project funding, and the relationship with LEAF's loan*
- *Timeline*

5. Market & Competitive Environment

Description of market conditions, including:

- *Definition of Borrower's core trade area and target customers*
- *Identification of key competitors, and Borrower's relative strengths & weaknesses*
- *Overall trends in Borrower's sector*

6. Management & Board of Directors

Analysis of Borrower's management capacity and governance structure, including:

- *Management's background and experience (consider attaching resumes as appendix)*
- *Staffing structure*
- *Board of Directors composition and background (consider attaching Board bios as appendix)*
- *Summary of cooperative governance practices, if applicable*
- *Other professional support & partnerships (e.g. consultants / TA providers, legal counsel, bookkeeping, etc)*

7. Social Impact

Discussion of Borrower's social impact, including:

- *Number of jobs to be created, and job quality (e.g. starting wages, worker-ownership opportunities)*
- *Borrower's diversity & equity commitments*
- *Direct community impact of Borrower's core activities, and other ways it "gives back"*
- *Sector-specific considerations:*
 - *Food Coops & Grocery: Local food sourcing, healthiness & affordability of offerings, accept SNAP & WIC?*
 - *Housing borrowers: # of units to be created or rehabbed, affordability level / income restrictions (as % of AMI)*
 - *Worker Coops: Discussion of worker-ownership opportunities and wealth creation potential*
- *Community demographics (e.g. is the borrower in a food desert, high-poverty tract, CDFI investment area, etc)*

8. Collateral

Description of the assets available to secure the loan, including:

- *Type of assets (real estate, equipment, etc.)*
- *Collateral value, and source of valuation (appraisal, book value, at-cost, etc.)*
- *Prospects for liquidation*
- *Mechanism for perfecting lien (mortgage, UCC-1 financing statement, etc.)*
- *If loan is personally guaranteed, discuss guarantor's credit history and financial condition*
 - *Note: most loans to cooperative borrowers will not have a personal guarantor*

Note: Delete inapplicable rows from table

Collateral Type	Value	Discount Rate	Discounted Value (Value * Discount Rate)
Cash (controlled account)		100%	
Real Estate		80%	
Equipment – new, <i>or</i> appraised liquidation value		75%	
Equipment – used		50%	
Vehicles		50%	
Furniture & Fixtures		30%	
Accounts Receivable		10%	
Inventory		10%	
Total			
Total Loan(s) Amount			
Loan-to-Value (LTV) ratio			____ %

9. Financial Analysis

Discussion of Borrower's financial performance and implications for loan repayment, including:

- *Cash Flow: Sales performance & trends, expense breakdown, margins & profitability, debt coverage ratio*
- *Balance Sheet: Capitalization & leverage ratio, liquidity (e.g. current ratio, months of working capital on-hand)*
- *Assumptions underlying forward projections*
- *Comparison of financial metrics to industry benchmarks, for example:*
 - *Food coops: Gross margin, sales per retail square foot, personnel expense as % of sales*
 - *Housing: Vacancy & collection loss, capital replacement reserves*
- *Key sensitivities, and implications for debt service*

10. Risk Analysis

List summary of key strengths and risk factors in bullet-point form

Analysis - Positive Factors

Analysis - Risk Factors

11. Recommendation

We recommend approval of the credit as outlined on the Term Sheet.

Appendix A-1: Profit & Loss

Appendix A-2: Balance Sheet

Appendix A-3: Cash Flow Statement

Appendix B: