

**17th Annual Delaware Institute  
for  
Local Government Leaders**



**“Financing Local Communities”  
By  
First State Community Loan Fund**



**Vandell Hampton, Jr., Executive Director**

**First State Community Loan Fund**

**100 West 10<sup>th</sup>**

**Suite 1005**

**Wilmington, DE 19801**

**302-652-6774**

**[vhampton@firststateloan.org](mailto:vhampton@firststateloan.org)**

**Fax:302-656-1272**

# First State Community Loan Fund (FSCLF)

- FSCLF is a not-for-profit Community Development Financial Institution (CDFI) that was established in 1993 and specializes in supporting small businesses, microenterprises, and affordable housing throughout the State of Delaware.
- As a federally certified CDFI, FSCLF leverages funds from investors and contributors to lend for the construction and renovation of affordable housing, the start-up and expansion of businesses, and the provision of essential community services.

# Mission Statement

- The mission of the First State Community Loan Fund is to actively promote and provide creative opportunities for access to capital for small businesses, community organizations and developers of affordable housing throughout Delaware.

Since 1993, FSCLF has disbursed \$9,722,787 in support of small businesses and affordable housing in the State of Delaware. The chart below outlines the lending activity by program.

	<b>Amount</b>	<b># of Loans</b>
<b>Micro Loans</b>	<b>\$ 733,513</b>	<b>663</b>
<b>Business Growth Loans</b>	<b>\$2,408,773</b>	<b>102</b>
<b>Affordable Housing Loans</b>	<b>\$6,940,501</b>	<b>95</b>
<b>Total</b>	<b>\$9,722,787</b>	<b>860</b>

# Lending Programs

- Business
- Affordable Housing
- Community Development

# Business Lending Programs

## **Micro Loan Fund**

- Loans from \$300 to \$15,000 with terms of 60 days to 3 years
- Credit criteria and requirements flexible and based upon loan amount
- Interest rates – 12.9%
- Fees - \$50 application fee plus all out of pocket expenses
- Loan purposes include, but are not limited to equipment, inventory, and working capital
- Borrower Profile – Start-up or early-stage business; insufficient collateral and/or equity; some derogatory credit history

## **Business Growth Fund**

- Lending Range – typically \$5,000 to \$50,000 with terms of 3 months to 5 years
- Interest rate usually Prime plus 2%
- Fee of 2% for application and closing, plus all out-of-pocket expenses
- Loan purposes include, but not limited to equipment, inventory, leasehold improvements, real estate, and working capital
- Borrower Profile –Business; insufficient collateral and/or equity; some derogatory credit history



**Landscaping, Ocean View**



**Laundromat, Wilmington**



**Restaurant, Dover**



**Gas Station & Convenience Store,  
Wilmington**

# Affordable Housing Programs

## Affordable Housing Loan Fund

- Provides financing for developers (not-for-profit & for-profit) that are developing affordable housing throughout the State of Delaware. Eligible loan purposes include pre-development, acquisition, construction and renovation, as well as bridge and gap financing. This fund provides up to \$350,000 per borrower with a 5 year maximum term at rate of prime plus 1 percent.

## Housing Pre-Development Revolving Loan Fund

- Provides financing for experienced, not-for-profit developers that are developing affordable housing throughout the State of Delaware. This fund is limited to pre-development uses. The fund provides up to \$60,000 at 0% interest for 12 months.

# Cornerstone West Community Development Corporation Wilmington, Delaware



# Brandywine Gateway Neighbors Wilmington, Delaware



# Community Development Programs

- Provides capital for community-based projects. Such projects may include: mixed used properties (retail & residential); non-profit organizations (other than housing developers); childcare centers and other community facilities. This fund provides up to \$350,000 per borrower with a 5 year maximum term at rate of prime plus 1 percent.

## Harvest Child & Youth Development Center Wilmington, Delaware



## A Leap of Faith Child Development Center Wilmington, Delaware



# Better Homes of Seaford - Recreation Center





**Questions?**