



Who can borrow from the Texas Product/Business Fund?

Any company that is currently established and doing business in Texas.

How much collateral needs to be pledged to secure a loan?

The Texas Product/Business Fund does asset based loan, with loan to value ratios (LTV) as much as 80%.

At what interest rate are the funds lent out?

The Texas Product/Business Fund loans are LIBOR (London Interbank Offered Rate) based variable rate (below market rate)

Do the loans require principal and interest repayments?

Yes, the loans are principal and interest repayments amortized over the life of the asset.

Must the borrowed funds be used in the state of Texas?

Yes, the Texas Product/Business Fund is focused on provided funding for business in the state and borrowed funds need to be used in the state.

Does the borrowing company need to be currently making an accounting profit?

No, the Texas Product/Business Fund does not require that a company have positive Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA), but the company must have securable assets to support the required LTV.

Can a company get assistance from a community or individual to meet collateral requirements?

Yes, a community (or an Economic Development Corporation) or individual can pledge the needed collateral in order to secure the loan.

What can be used to secure the collateral requirement?

Some examples are: Land, Real Estate, Investment Property, Inventory, Equipment, Letter of Credit, Deposit Account, Accounts Receivable, and Liquefiable Assets.

What is an Asset Based Loan?

An asset based loan provides businesses with immediate funds based on a percentage of the value of your company's assets.

How does Asset Based Lending provide working capital?

The Texas Product/Business Fund loans your company money that does not have a prepayment penalty. Once funds are disbursed your company can pay back the funds in monthly installments of principal and interest and additionally pay down any unused principal at anytime during the loan. The ability to prepay principle allows the company to efficiently borrow money and not pay interest on funds that aren't needed.

What can your company do with the loan?

Funds from asset based financing can be used for day-to-day operating expenses, or as capital for restructuring, turnarounds, mergers and acquisitions, buyouts, new equipment, new product lines, more efficient product lines and more.