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Colorado Lending Source announces the Small Business Administration Community Advantage loan program and their partnership with Peoples Bank

DENVER—During Colorado Lending Source's 2014 Annual Meeting on January 29th, Edward Cadena, Colorado District Director of the U.S. Small Business Administration (SBA), officially announced Colorado Lending Source as a Community Advantage lender. Moreover, Executive Director of Colorado Lending Source, Mike O'Donnell, thanked Peoples Bank for being the initial financial provider, and explained how this program will benefit both lenders and underserved small businesses.

The Community Advantage loan is a Small Business Administration 7(a) loan that is financed by a mission-based lender, like Colorado Lending Source, rather than directly through a bank. In partnership with Peoples Bank, Colorado Lending Source will process Community Advantage loans for a variety of business needs from \$50,000 up to \$250,000. Colorado Lending Source hopes to garner additional financing from other community lenders, like Peoples Bank, to provide small businesses with greater access to financing.

Mr. Cadena supported, "Community Advantage is a new permanent loan program introduced by the SBA to meet the credit, management, and technical assistance of small businesses in underserved markets. The Colorado District Office is pleased to announce that Colorado Lending Source has become a Community Advantage lender, and as one of our SBA's premier partners, this will assist Colorado Lending Source in increasing access to credit for small businesses in underserved markets."

Accordingly, Colorado Lending Source prefers that at least 80% of small businesses be located within an Underserved Market, which is defined as: low-to-moderate income communities; 50% of the workforce is low-income or resides in low-to-moderate income census tracts; empowerment zones and enterprise communities; HUBZones; startup businesses of less than two years; 51% veteran-owned, minority-owned, or women-owned businesses; and/or rural-based businesses. The loan terms will last primarily up to 10 years for working capital and/or equipment, or up to 25 years for commercial real estate.

Mr. O'Donnell stated, "We are very excited that Colorado Lending Source is one of the nation's newest Community Advantage lenders! We feel that the Community Advantage loan program will be huge for the state of Colorado. These loans are more flexible than conventional bank loans, because the program is specifically focused on underserved small

businesses, from the perspective of accessing debt financing. There are so many small businesses whose needs are just too small, too new, or too different for some lenders, or who have lower credit scores because of student debt burdens that can't access financing on reasonable terms."

A requirement for all Community Advantage loans processed by Colorado Lending Source is that either a bank has referred the project, or that the small business can show that a bank has declined their request. The benefit to the referring bank will be that the small business relationship will stay with that bank, and once the Community Advantage loan is seasoned, the bank will be encouraged to refinance that loan back onto their balance sheet as either an SBA 7(a) loan or a conventional bank loan.

Brett Haigler, Community Bank President from Peoples Bank, stated, "By providing a line of credit to Colorado Lending Source to make loans to [underserved] small businesses, we are not only helping local businesses expand but are creating a pipeline of future Peoples Bank customers when they are ready to obtain traditional bank financing. Not only will the Community Advantage loan program allow us to expand our presence in Denver, but it is also an important component for serving the communities in which we do business."

Colorado Lending Source believes that through the success of the initial investment from People's Bank, more lenders will want to financially contribute to the Community Advantage loan program.

If you would like more information or to learn how your lending institution can help us finance this loan program, please contact Community Advantage Loan Officer, Danielle Westblade (danielle@coloradolendingsource.org).

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Celebrating the 25th year as Colorado's small business financing expert, Colorado Lending Source partners with local lenders and government agencies to help create jobs. In 2014 alone, we worked with over 200 small businesses, injected \$274,622,310 into the economy, and have helped create and retain 1,948 jobs. As extremely passionate small business advocates, we are committed to our mission of fostering the economic growth of diverse small businesses within our communities.