

Arts & Business Loan Program FAQ's

Q: What is this loan program for?

A: To provide loans to arts organizations, artists and small specialty creative and arts related businesses to support our program goals of seeding cultural vitality, stimulating community creativity and creative economic development, and encouraging dynamic partnerships between the arts and business.

Q: Who is eligible for an Arts & Business loan?

A: Applicants must be a 501 ©3 nonprofit or be fiscally sponsored by one, including individual artists OR be a business primarily located within the boundaries of the City of Eugene.

Additionally,

- Loans must directly support arts and culture in Eugene or be placemaking projects/business improvements that utilize the arts as a primary strategy for community or economic development and encouraging cultural vitality.
- Individuals must reside in the City of Eugene

Q: I'm a startup – would my business qualify?

A: Yes. Both startups and existing businesses are considered.

Q: Do I need to provide collateral to obtain loan funding?

A: Yes. Collateral is needed to secure all arts and business loans. All applicants will be evaluated for credit worthiness and will need to provide financial statements as well as provide appropriate collateral.

Q: What types of loans are available?

A: There are four types of loans:

- Bridge loans for special projects secured by contract, grant, foundation funding or other guaranteed income.
- Opportunity loans for new revenue stream investments, expansions or cost-saving opportunities
- Infrastructure loans to fund historical renovations, storefront improvements, and creative place making projects or events.
- Creative Capital loans for funding of fundraising events or performance production expenses and artists fees that are secured by event revenue or box office receipts.

Q: What is the repayment timeline?

A: Loans must be paid back within 24 months. Some loans can have longer repayment plans within certain circumstances. Bridge loans must be repaid within 6 months.

Q: What is the interest rate?

A: The interest rate is fixed for the term of the loan at the Prime rate at the time of loan assignment.

Q: What is the loan amount I can apply for?

A: Loan amounts will range between \$5,000 - \$50,000. Loans may be made in larger amounts for projects with extraordinary community benefit. Project financing will not exceed 50% of overall project budget.

Q: How do I apply?

A: Applying for a loan is a two-step process.

- Step 1: All loan fund applications are submitted first to the Arts and Business Alliance of Eugene. This application should include a completed Loan Application form and a letter to the ABAE loan fund committee outlining the project requesting funding timeline and amount requested, and a narrative that should demonstrate project appropriateness, artistic merit, and explanation of how the application supports the goals of the Arts & Business Loan committee. If approved, the ABAE committee will submit a memo to the Business Loan Fund Committee approving the application for further review by the COE Business Loan Fund committee..
- Step 2: Submit your application, and other materials listed in the application checklist, to the City of Eugene Business Loan Committee.

Q: How quickly can loans turnaround?

A: Anticipated loan decision turnaround time is within 30 days of submitting all materials in step 2 of the application process. If approved, the loanee is cut a check by the COE business loan fund team immediately.

Q: Are there any fees to apply?

A: If approved, the application will then be forwarded to the City of Eugene Business Loan Fund Committee and the applicant will be asked to then submit full application materials including financial statements as well as a \$50 application fee.

Q: Where does the funding come from?

A: Funding for this loan pool comes from a private funds contributed to ABAE donor and the City of Eugene Business Loan Fund pool.