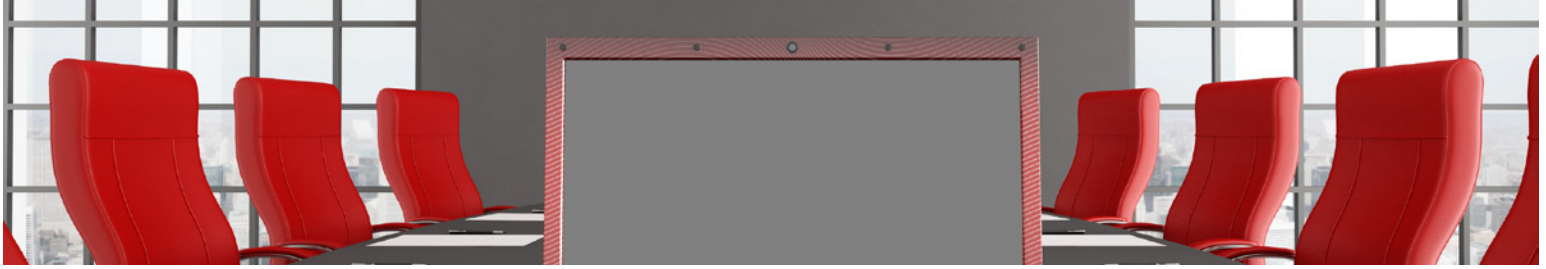


# cash collateral support



## chfa business finance

additional  
collateral

•  
credit  
enhancement

•  
streamlined  
program

### program description

Cash Collateral Support (CCS) is designed to help small and medium sized businesses access capital that would otherwise be unavailable due to collateral shortfalls. Lenders can apply for up to \$500,000 in collateral support to strengthen small business loan applications. The maximum loan size that CCS supports is \$5 million and the business borrower must have less than 750 employees at the time of the financing.

### lender benefits

- Low cost credit enhancement option
- Deposits are held by the partner lender
- For-profit, nonprofit, and manufacturers are eligible

### applying for collateral support

Lenders may apply for a cash deposit to hold as additional collateral for qualified business loans. To be eligible for collateral support, lenders must demonstrate that there is (1) a collateral shortfall and (2) there is a reasonable expectation that the business borrower will repay the loan as agreed.

### costs and terms

CHFA charges a fee equal to 5 percent of the cash collateral deposit. Cash deposits remain with the lender for three to ten years, depending on the borrower's need. If there is an extension, CHFA may charge a 1 percent extension fee for each year the deposit remains in place after the third loan year. The lender has the option to pass the cost of the fees on to the customer.

In 1982 the Colorado General Assembly approved legislation permitting CHFA to utilize its bond proceeds for financing of small and moderate sized enterprises in Colorado. CHFA's Business Finance Team is the state's leading resource partner in community and economic development finance. Our mission is to increase the economic viability of businesses and communities statewide by providing long term, fixed rate financing.

### CHFA Business Finance

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people live and work*