



## TIEER ENTREPRENEUR LENDING PROGRAM

TIEER is interested to work with aspiring entrepreneurs within the underserved community of the Third Ward. We are looking for individuals with character, passion, creativity and grit who would like to start up a new business or expand an existing one. This nontraditional and flexible program will provide inexpensive access to capital between \$10,000-50,000 at 4% interest.

Our three goals are to provide (1) low interest loans that will be administered and serviced by Houston Business Development Inc., (2) business education through Houston Area Urban League (HAUL) and Emancipation Economic Development Council (EEDC) and (3) mentoring to emerging and growing businesses.

Businesses must be located within the Third Ward which is defined as falling within the following boundaries: I45 to the North; Almeda to the West; Old Spanish Trail to the South; Texas Spur 5 to the East.

Each entrepreneur is required to graduate from HAUL's Small Business Development University or EEDC's Entrepreneur training (unless exempted by proof to TIEER of existing knowledge). Once accepted into the program, all entrepreneurs will receive an industry specific mentor.

### **What businesses are eligible:**

- Enterprises with five or fewer employees located in the Third Ward
- Start-up businesses:
  - must provide detailed business plan with projections and underlying assumptions
  - must have relevant experience in the industry you wish to launch your business
- Existing Businesses:
  - must provide detailed business plan with projections and underlying assumptions
  - must provide historical financial statements and tax returns
  - HBDI determines the loan to be unbankable by a bank, lending institution or with a Small Business Administration (SBA) loan

### **What businesses are ineligible businesses:**

- Sexually oriented businesses
- Establishments whose main business is in the area of liquor sales
- Vape/Smoke shops/Marijuana businesses
- Convenience stores that sell tobacco products and liquor
- Tattoo parlors
- Gambling related establishments
- Religiously affiliated organizations
- Non-profit charities and governmental agencies
- Business in excess of \$50,000 of receipts will not qualify for the loan. A trailing 12 months of gross revenue will be utilized to conduct a proper evaluation
- Businesses that HBDI determines could be bankable by a bank, lending institution or with a Small Business Administration (SBA) loan

**What are eligible uses of TIEER funds:**

- Purchase of fixed assets
- Working capital and fixed operation costs
- Other Start-up related business expenses
- Space/lease construction/build out

**What are ineligible uses of TIEER funds:**

- Real Estate investments
- Tax liens, Judgements, Federal debt
- Refinancing existing debt

**What can you expect with the TIEER process:**

- Each entrepreneur must complete and submit an application to TIEER, including a business plan and the amount of the loan the business is seeking.
- Enrollment/completion of initial business education assessment – either attend classes at HAUL’s Small Business Development University or Economic Emancipation Development Council or provide proof to TIEER of knowledge base. The application process may start prior to completion of the program.
- Once TIEER reviews and believes an entrepreneur has met the qualifications of our program, the applicant will need to complete a separate loan application and supply supporting documents to HBDI. HBDI will review each loan on a case by case basis taking into account character, credit, debt obligation, collateral and other financial information to make a loan recommendation.
- A personal guarantee of all owners with a 20% or more ownership interest in the business will be required. Liability, Property and Workman’s Compensation Insurance will also be required.
- The term of the loan will be 7 years, with interest only payments being payable monthly for the first 12 months beginning 30 days after the loan is funded. For the following 72 months, payments of principal (1/72<sup>nd</sup> each month) plus interest will be due.
- There will be a \$100 application fee which may be refunded if the loan is not approved. There is also a \$350 closing fee which may be rolled into the loan if so desired.
- Once a loan is made, HBDI will time the release of funds according to the need for cash. Funds will be paid to the entrepreneur and vendor when possible.
- Management and technical assistance/mentoring relationships, including monthly progress review of each entrepreneur’s business plan, to ensure if plans need to be adjusted to maximize success, attention and correction can be supported and made.

Entrepreneurs may request an application from Bria Fitch, administrative assistant at TIEER at [fitchbria@yahoo.com](mailto:fitchbria@yahoo.com) or in person at the TIEER office located on the campus of Texas Southern University:

3100 Cleburne  
School of Public Affairs  
Suite 205  
Houston, Texas 77004

You may call the TIEER office at 713-313-7629 for additional information.