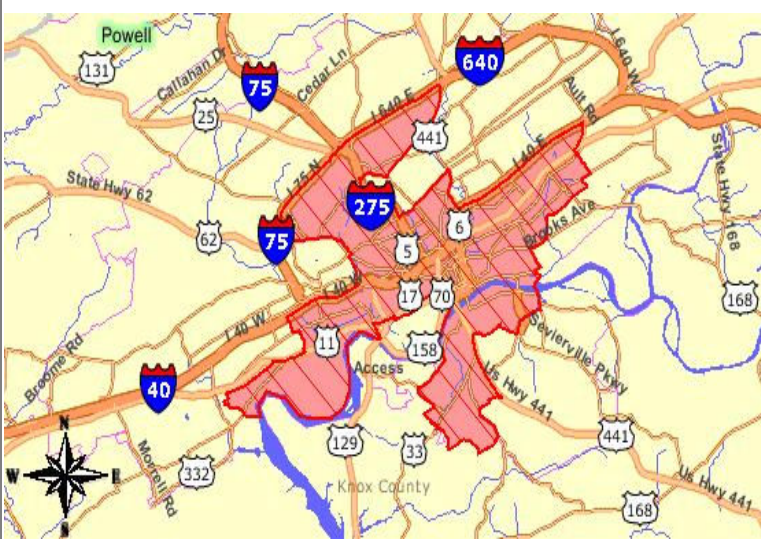


KNOXVILLE EMPOWERMENT ZONE

SMALL BUSINESS LOAN PROGRAM

Knoxville's Empowerment Zone (KEZ) is a 16-square mile area that includes downtown and surrounding neighborhoods including Mechanicsville, Old North Knoxville, 4th & Gill, Five Points, Morningside, Old Sevier, Vestal, and Fort Sanders (to name a few). KEZ includes the largest area allowed under the program rules and has a population of over 48,000. It is organized into 6 areas: Central, North, East, South, West, and Northwest..

<p>ELIGIBILITY FOR LOANS</p> <p>Any small business presently located or who wish to relocate within the indicated geographic boundaries designated in this map.</p>		<p>USES OF LOANS</p> <p>The loans can be used for business purposes only. The loan requests need to be well defined with narratives on how business opportunities will be increased in the Empowerment Zone. Loans can be used for equipment, working capital, operating costs either for new startups or business expansion.</p>
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What are the criteria for consideration of a loan request?

The applicant must have been denied a business loan request from a lending institution. He or she must be 21 years of age and be a business owner or co-owner. Completed applications must be accompanied by copies of personal & business bank statements, business references, appropriate statement of collateral, and a business plan.

Who approves loans?

Loan decisions are made by the EZ Small Business Loan Committee. The Committee will meet monthly; the fourth Thursday. The Committee is appointed by the Board of Directors of the Knoxville Area Urban League in consultation with officials of the City of Knoxville. Members include bankers, professionals, executives, and small business persons.

What factors are considered in approving a loan request?

Seven factors are taken into consideration; character, loan purpose, cash flow, applicant's business experience, credit history, collateral, and sense that the business will have a positive impact on the economic life of the Empowerment Zone.

Are there businesses that are ineligible?

Yes; some that cannot be funded are liquor stores, gaming facilities, pawn shops, illegal businesses, sexually oriented businesses, etc.

Will credit scores be used?

Yes; however credit history within the context of your whole application and personal financial and business history is considered. The credit score is not the sole criteria.

What interest rates and fees are involved?

Normally interest rates are Prime + 2-6% with a maximum loan amount of \$50,000. Approved loans will be charged a service fee of 2%. These fees can be financed along with the approved loan amount. Late payments will be assessed a 10% past due amount. There is no prepayment penalty.

Is applicant's information secure?

Yes; all members of staff involved with the loan program and all loan committee members sign a confidentiality statement and all files are locked in a secure location.

Are there other loan programs?

Yes there is a bridge loan program for minority contractors and peer lending program.

Where is the Knoxville Empowerment Zone office?

Contact Felix Harris, Loan Officer, at 1514 E. Fifth Ave, Knoxville, TN 37917 and phone 865-524-5511.

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SOURCE: Chuck Christiansen, SCORE Counselor

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