



Pathway Lending

Financing Businesses. Strengthening Communities.

Alabama Small Business Opportunity Fund

History:

In 2017, Pathway Lending supported by the Alabama Department of Economic and Community Development and the Appalachian Regional Commission expanded its lending geography to include Alabama. As a U.S. Treasury Department certified Community Development Financial Institution (CDFI) Pathway Lending provides loans to underserved small businesses that are unable to access traditional financing. Pathway Lending works with 31 banks in Tennessee and Alabama to provide banks qualified CRA Investment or Community Development Loan test credit while supporting the growth of small businesses.

Pathway Lending founded in 1999 in Oak Ridge, TN has total assets of \$118 million and has provided more than \$225 million in loans to more than 700 companies in Tennessee and now brings that experience to Alabama to support entrepreneurs in all 67 Alabama counties with an emphasis on the 37 Appalachian Regional Commission designated counties.

Borrowing Structure and Terms

Structure: Unsecured Subordinated Promissory Note (Equity Equivalent Agreement)
(Standard CRA Qualified Investment Test and Community Development Loan Test note.)

Term: Ten (10) year balloon note

Interest Rate: 2.25%

Payment Terms: Interest paid quarterly in arrears