



The Hispanic Chamber of Commerce of Wisconsin Nuevo Futuro Entrepreneurship & Small Business Development Resource Fund

The Hispanic Chamber of Commerce of Wisconsin Nuevo Futuro Entrepreneurship & Small Business Development Resource Fund (“HCCW Community Development Revolving Loan Fund ‘HCCW CDRLF’”) is a **\$6,000,000 initiative that builds on the HCCW’s extensive access to capital programming and services now active throughout the state.** Although the HCCW targets the Hispanic and Low-to-Moderate Income (LMI) community, all of the organization’s services and programs are available to people of all socioeconomic statuses regardless of race, ethnicity, gender, income and ability.

The HCCW Nuevo Futuro Entrepreneurship & Small Business Development Resource Fund:

1. Deploys up to fourteen times the maximum award of \$600,000 for a total budget of \$8,600,000.
2. Optimizes Economic Impact back to the City of Madison taxpayer in the form of new tax revenues generated.
3. Deploys the program only in the City of Madison for the benefit of technology businesses.

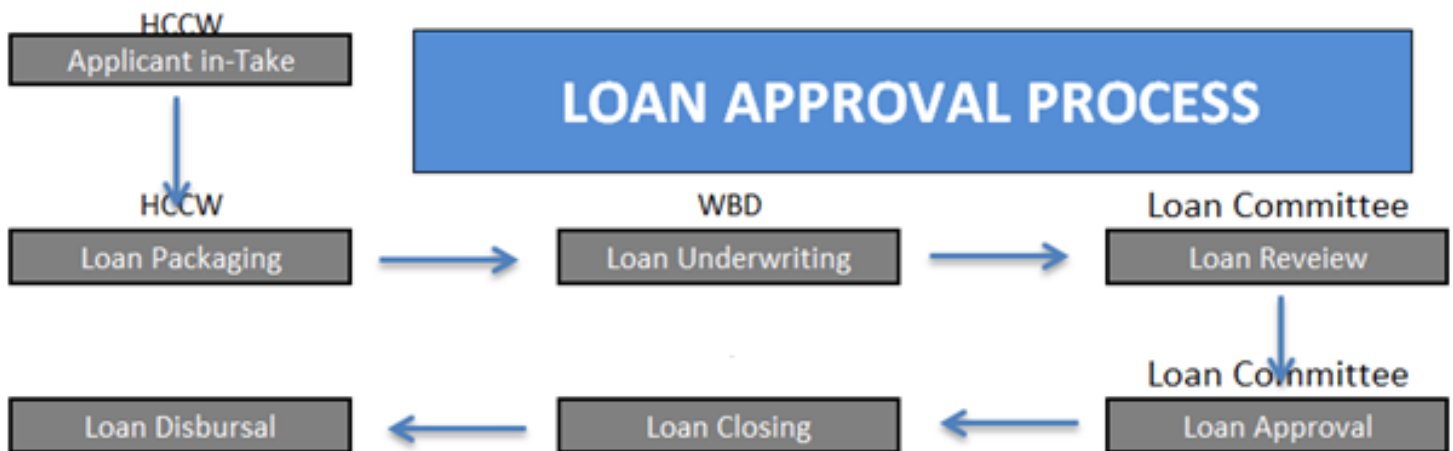
The HCCW with institutional partners will deploy \$6,000,000 in revolving loan funding in the form of subordinated debt (performs like equity) over a two-year period. The HCCW Nuevo Futuro Program will loan \$6 Million dollars to microenterprise businesses who are women or minority owned businesses with a sole focus on technology.

Given the structure and anticipated technology companies that will be a part of the deal flow, the HCCW expects an additional \$2 Million of senior debt to be provided by the investors, subject to technology companies that qualify to participate in the HCCW Nuevo Futuro Entrepreneurship & Small Business Development Resource Fund. The HCCW will assist businesses and entrepreneurs located **only in the City of Madison**. Currently, there is no restriction on the loan amount; however, typical loans average between \$10,000 - \$25,000. Although the HCCW targets the LMI community for loan participation, there is no restriction on who can apply for the HCCW

CDRLF. The HCCW staff will collect essential information, document each interaction, and track progress through the HCCW Key Performance Indicator (KPI) Report that aligns with the City of Madison’s Racial Equity Social Justice tool.

The HCCW CDRLF maintains a disciplined lending approach in order to provide opportunity to businesses and individuals and maintains appropriate risk management procedures in order to maintain the long-term viability and sustainability of the program. The creation of the Loan Process was supported by our institutional partners, the Wisconsin Economic Development Corporation (WEDC), Wisconsin Housing and Economic Development Authority (WHEDA), and Wisconsin Business Development (WBD) among numerous other partners. The HCCW CDRLF is administered by a staff of qualified professionals and a Loan Review Committee comprised of the HCCW and the Madison-based institutional investors who participate in the fund.

Funding for the HCCW CDRLF will come from Settlers Bank and the banks that attended the in-person meeting with the City of Madison on Monday, February 8, 2016. Given the limited amount of time to produce these critical documents a Letter of Intent from the lead investor, Settlers Bank, is included for reference. Deal flow is underwritten and moved through this review and approval committee. Following is the flow diagram for the HCCW CDRLF:



The HCCW provides an array of services to its members and non-members. The diagram below demonstrates the multiple pathways an individual/business may pursue when seeking resources and business services from the HCCW. Several technology business members have provided letters of support for the HCCW in addition to reference letters from HCCW's partners.

