Does your enterprise qualify for tax-exempt bond financing?

Pre-Screening Checklist

✓ Not a start-up enterprise
✓ In business for more than five years
✓ Located within the Federal Empowerment Zone
  ○ Not sure? Go to the U.S. Department of Housing and Urban Development website to determine whether your address is located in a Federal Empowerment Zone area. [http://www.hud.gov/crlocator](http://www.hud.gov/crlocator)
✓ 35% of your employees must reside within the Empowerment Zone
✓ If not located within the Federal Empowerment Zone area, you must operate as a manufacturer or a 501(c)(3) non-profit organization
✓ Annual revenues between $8 and $10 million
✓ Financially sound with adequate debt serviceability
✓ Ability to secure a 100% Letter of Credit from an acceptable financial institution
✓ Financing needs of over $2 million
✓ Assets financed must be depreciable
✓ Refinancing permitted only for 501c3 non-profit organizations

If the following characteristics apply to your organization, you may qualify for bond financing. Contact us at (213) 744-7111.
Pre-Screening Questions for potential tax-exempt bond clients:

1. Are you a start-up?
   a. If yes, your company does not qualify for bond financing.
   b. If your answer is no, and your company has been in business more than five years, you may qualify for bond financing.

2. Are you located within the Federal Empowerment Zone?
   a. Not sure? Go to the U.S. Department of Housing and Urban Development website to determine whether your address is located in a Federal Empowerment Zone area. [http://www.hud.gov/crlocator](http://www.hud.gov/crlocator)
   b. If your answer is yes, does 35% of your employees reside in the Empowerment Zone?
   c. If your answer is no, are you a manufacturer?
   d. If your company is not located within the Empowerment Zone, is not a manufacturer, and is not a 501(c)(3) non-profit organization, you do not qualify.

3. Are your annual sales between $8 and $10 million?
   a. If your answer is yes, you may qualify for bond financing.
   b. If your answer is no, what is the rationale for incurring bond obligations?

4. Are your financing needs under $2 million?
   a. If yes, bonds may not be cost efficient as a financing tool.

5. Will the proposed bond proceeds be used for depreciable assets i.e. Land, building and equipment?
   a. If yes, then it is allowed by the tax code.
b. If no, it is not permissible to use bond proceeds for working capital and venture capital.

6. Will you be refinancing existing taxable debt(s)?
   a. If yes, you must be a 501c3 non-profit organization

7. What is your credit standing? Must be creditworthy.

8. Will you be able to secure a 100% Letter of Credit from an acceptable financial institution?