

**Banking On Business (BOB)** offers funding for participating members to provide secondary loans to qualified small businesses that would not otherwise meet member underwriting criteria:

- Fills the gap when there is a lack of equity, unique collateral, or a shortfall in appraisal
- Has no repayments in year one, improving initial cash flow
- Reduces member exposure

## BOB Eligibility Guidelines

<b>Small Business</b>	Must be a qualified small business based on SBA size standards
<b>Member Participation</b>	Member must provide at least 40 percent of total financing
<b>Maximum BOB Transaction Amount</b>	The lesser of \$200,000 or 50 percent of the member loan <ul style="list-style-type: none"> <li>• If deal involves a public loan guarantee, maximum BOB loan is 50 percent of the remaining exposure</li> </ul>
<b>Economic Impact</b>	One job must be created/retained for every \$35,000 in BOB funding <ul style="list-style-type: none"> <li>• Alternatively, economic impact may also be demonstrated by completing the Economic Impact Form within the BOB application</li> </ul>
<b>Funding Gap</b>	Member must demonstrate loan does not meet their underwriting criteria without the BOB funds
<b>Real Estate</b>	If deal involves real estate, at least 51 percent of the real estate must be occupied by the small business
<b>Refinancing</b>	In transactions involving refinancing, at least 33 percent of the total business deal must be made up of new money

Disclaimer: FHLBank Pittsburgh products are governed by various agreements between FHLBank Pittsburgh and its members, as well as certain FHLBank Pittsburgh policies and applicable regulations. In the event of any inconsistencies between this document and such agreements, policies and regulations, the agreements, policies and regulations will be determinative.



**Additional Questions?** Contact Kate Swanson at 412-288-7350 or [kate.swanson@fhlb-pgh.com](mailto:kate.swanson@fhlb-pgh.com) • [www.fhlb-pgh.com](http://www.fhlb-pgh.com)

# Life of a BOB Loan

<b>Application Submission</b>	<p>Member submits application for BOB loan during an open funding round, including:</p> <ul style="list-style-type: none"> <li>• Completed BOB Registration Form, with member and borrower signature</li> <li>• Copy of credit write-up</li> <li>• Approval or conditional approval of member loan</li> </ul>
<b>Review &amp; Determination</b>	<p>FHLBank Pittsburgh reviews completed BOB application within 10 business days of submission. BOB approvals are valid for 90 days</p>
<b>Disbursement Preparation</b>	<p>Two days prior to closing, member provides the following:</p> <ul style="list-style-type: none"> <li>• Draft member loan note</li> <li>• Draft BOB Loan Agreement</li> <li>• Executed Funding Request Form</li> </ul>
<b>Disbursement</b>	<p>After closing, member provides the following:</p> <ul style="list-style-type: none"> <li>• Executed member loan note</li> <li>• Executed BOB Loan Agreement</li> <li>• Copy of proof of business, if not already provided</li> </ul>
<b>Disbursement Review</b>	<p>FHLBank Pittsburgh reviews and disburses funds to the member's Demand Deposit Account within 10 business days of request submission</p>
<b>Loan Servicing</b>	<p>Graduated repayment structure:</p> <ul style="list-style-type: none"> <li>• For year one of the loan, no loan repayment (principal or interest) is required from the borrower</li> <li>• In year two, the member begins to collect monthly principal payments and remits the principal payments to FHLBank Pittsburgh annually. Plus, the member collects interest</li> <li>• In year three, the member collects principal and interest payments and remits the principal and interest payments to FHLBank Pittsburgh annually. Plus, the member keeps a portion of the interest</li> <li>• Prior to each annual remittance, FHLBank Pittsburgh will confirm the amount due</li> </ul>
<b>Monitoring</b>	<p>In year two of the loan, FHLBank Pittsburgh will request a Performance Measurement Report to track the loan's performance and current number of jobs created/retained</p>
<b>Delinquency/Default</b>	<p>In case of delinquent payments, it is the member's responsibility to alert FHLBank Pittsburgh. Should the loan default, the member should commence reasonable collection efforts for the member and BOB loan. If there are insufficient funds to repay the BOB loan, a Default Form detailing the recovery process must be completed</p>