

**Quick Reference to Underwriting Guidelines
Neighborhood Business Revitalization Guarantee
For Businesses (Non-Developers)**

Criteria	Guideline
Debt Service Coverage	Minimum projected debt service coverage of 1.2x based on all the Borrower's debt as an average over two years and where no single year is below 1.0x.
Collateral Coverage	Minimum collateral coverage of 110% using estimated market values. Minimum collateral coverage of 80% using standard liquidation values.
Mission	The project meets the minimum eligibility requirements of the program.
Owner's Equity	Cash or non-cash equivalent equity of no less than 10% of total project costs.
Leverage (Debt/Worth)	Debt to tangible net worth ratio of 4:1 or less. The acceptable ratio may vary based on published RMA median industry standards.
Liquidity	Current ratio of 1:1 or better. The acceptable ratio may vary based on published RMA median industry standards.
Market	The Borrower is in an industry experiencing stable trends and/or the Borrower has a favorable competitive position and there is demonstrated market demand for the Borrower's product or service.
Management	Management has a minimum of two years experience in related business ventures.
Business Tenure	a) The business has been in operation for at least one full fiscal year. b) The business can document satisfactory historical performance.