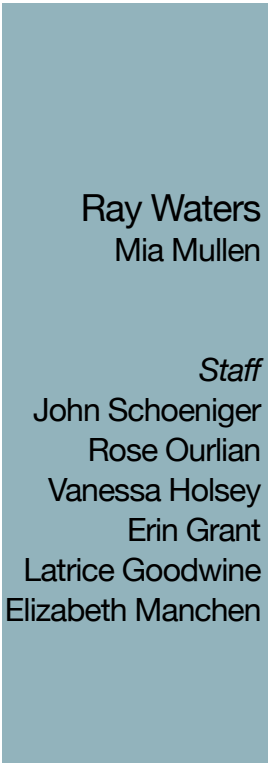
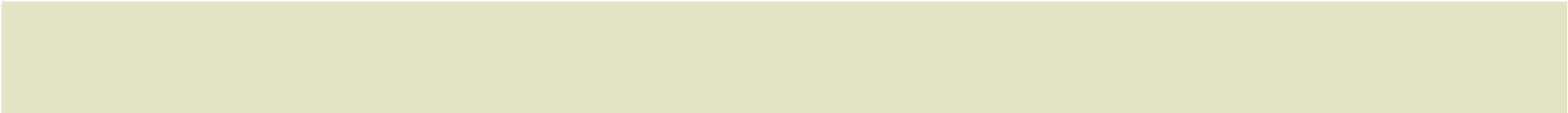


PARTNERSHIPS

SED has formed partnerships with several organizations to provide funding for pre-development lending, small business lending, pre-construction lending, façade improvement, contractor financing and contractor assistance/construction trades training. The partnering organizations are: The Ford Foundation, John S. and James L. Knight Foundation, LaSalle Bank, and the Detroit Community Loan Fund (DCLF). The DCLF is a small business lending fund with Detroit Renaissance, Detroit Investment Fund, and National City Bank CDC.



SHOREBANK ENTERPRISE
Detroit



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ShoreBank Enterprise Detroit (SED) is a non-profit 501(c)3 community development organization affiliated with ShoreBank Corporation. Created in 1998, SED had a mission of helping revitalize an economically distressed target area in Detroit's far eastside neighborhoods. For several years, SED provided down payment assistance and credit counseling. In 2001, SED's small business loan fund began operation and has grown and evolved substantially since then. Now, SED operates throughout the entire City of Detroit.



ShoreBank Enterprise Detroit

is looking for good projects that can accomplish goals of neighborhood transformation, affordable housing, jobs and benefits to low and moderate income Detroit residents.

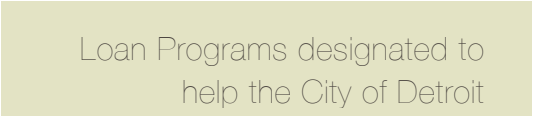
We are also looking for capable developers (for-profit and non-profit), contractors, subcontractors and small businesses.

SED can be flexible in underwriting and deal structuring.



SHOREBANK ENTERPRISE DETROIT

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Loan Programs designated to help the City of Detroit

GOAL

SED and its partnering organizations' goal is neighborhood transformation. Affordable housing is a priority and commercial revitalization is important. SED strives to have a lasting transformation achieved by mixed income neighborhoods a range of housing options supported by retail, service and community amenities. Physical re-development is catalyst for growing minority businesses including contractors, construction trades, subcontractors, professional services firms, etc., and creating jobs for Detroit residents. One of SEDs primary focus areas for the loan programs will be in neighborhoods designed in the Next Detroit Initiative.

SED LOAN PROGRAMS

SED now have five (5) loan programs:

1. "Late Stage" Pre-Development Loans
2. Small Business Loans
3. Pre-Construction Loans
4. Contractor Lines of Credit
5. Façade Building Improvement Loans

Foreclosed, Abandoned, Single Family Rehab Program

Rehab Lines of Credit – Rehab lines of credit are available to responsible real estate developers (for profit/non profit) who have the experience and skills to rehabilitate properties located in the City of Detroit.

Criteria:

- Developer must be experienced and have a proven track record of previous projects/rehabs
- Developer must provide 10% of their own capital upon acquisition of the property
- Finished property sale/rent must be affordable to low/moderate income residents

SED can provide lines of credit for acquisition and rehab of properties. Proceeds are disbursed upon acquisition, then on percentage of completion.

Small Business Loans – supports the growth of Detroit-based small businesses that lack sufficient collateral or owner equity to qualify for financing from mainstream lenders. Criteria: To qualify a business should meet the following:

- Business must be located in the City of Detroit
- Have annual sales of at least \$100,000; and have fewer than 50 employees
- Have been in existence for at least 12 months
- Have demonstrated growth potential and have the ability to continue to grow and retain or add new jobs
- Have been unable to obtain sufficient financing from traditional lending sources

Small Business Loan proceeds can be used for working capital for expansion, equipment financing, A/R financing, business acquisition, marketing/new product

development, sales expansion, physical plant expansion, improvements to manufacturing systems, and more.

Pre-Construction Loans - See Pre-Development Loans

- Criteria: The criteria for Pre-Construction loans follow the same guidelines as the Pre-Development loans.

Pre-Construction loans can be used for infrastructure improvements, construction of models and façade improvements.

Pre-Development Loans – are intended to fill the gap between early "soft" stages of predevelopment and the point where a project can qualify for construction financing.

Criteria: The project should meet one or more of the following:

- Project located in or adjacent to lower income Detroit neighborhoods
- Create affordable for-sale or rental housing for lower/moderate income households in Detroit
- Create homeownership opportunities for lower/moderate income households in Detroit
- Create jobs for lower income Detroit residents
- Strengthen access to community services for lower income Detroit neighborhoods
- Strengthen commercial districts in lower income Detroit neighborhoods
- Economically or socially strengthen lower income Detroit neighborhoods

Pre-Development Loan proceeds can be used for land acquisition, architectural drawings, environmental remediation, purchase of materials prior to construction, advance pre-sale marketing efforts, etc.

Contractor Lines of Credit – provides financing for contractors that are related to a specific contract or purchase order.

Criteria: To qualify for a contractor line of credit loan, projects should meet one or more of the following:

- Similar to Small Business Loan criteria
- Contractor should have 1 to 2 years experience or have completed MSHDA Contractor Assistance Program, or similar program
- Have contract or purchase order to perform work
- Will use Detroit residents to complete portions of contract

SED's Contractor Lines of Credit proceeds can be used to finance payroll through the accounts receivable collection period, purchase materials, and to cover operating expenses.

