LOAN PRODUCT: LINES OF CREDIT

A line of credit is a useful financing tool for businesses that experience cash flow timing challenges while they balance awaiting payment on government or contract receivables with making timely payments on operating expenses such as payroll.

12-month cash flow projections required, including anticipated draw and pay down schedule

Interest rates typically: 6.75-7.25%

15-day zero balance “clean up” period during term is required

Up to once a month draws: draws determined by a borrowing base of eligible receivables

Collateral: Lien on business assets

Weld Seattle is a lived experience led non-profit that provides formerly incarcerated individuals with housing, employment opportunities, and resources conducive to recovering from substance abuse addiction and successful reintegration back into society.

A $200k line of credit from RIIF is allowing Weld Works, its social enterprise business line, to bridge receivables to fund weekly payroll expenses without dipping into its reserves while awaiting its contract receivables to be paid.

The RIIF financing will enable the borrower to make 200 temporary placements over the loan term, 90% of which turn into full time jobs in the construction industry.

For Eligibility Criteria visit: redf.org/RIIF-eligibility