



**Banking On Business**

# Banking On Business

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Financial institutions that are members of FHLBank Pittsburgh have access to a valuable resource to help small businesses thrive in their communities. Banking On Business (BOB) offers funding for participating members to provide secondary loans to small businesses that may not otherwise meet member lending standards.

BOB loans can be provided in conjunction with member loans to finance the start-up or expansion of small businesses for a variety of purposes, including but not limited to:

- Purchasing real estate, inventory, machinery and equipment
- Construction, facility expansion and leasehold improvements
- Permanent working capital
- Closing costs

## Benefits of Banking On Business

- Allows participating members to bridge certain underwriting obstacles and make loans to qualified small businesses that would not otherwise meet lending requirements
- Provides a source of flexible, secondary financing for small businesses, helping address business needs
- Facilitates decision-making with a quick approval process, typically within 10 business days of submission of business registration with no additional underwriting requirements
- Increases initial cash flow of the business with no repayments in year one
- Helps affordability with no prepayment penalties or application fee
- Offers flexibility since it may be used in conjunction with other financing sources to leverage the member's loan
- Strengthens the local economy, helping create and retain jobs, potentially leading to further business opportunities

### **BOB Balances Risk Management, Job Creation**

“The injection of additional funds that BOB provides mitigates the excess risk associated with these transactions. The businesses that BOB has helped to fund have created new jobs, occupied previously empty storefronts and provided many other benefits to the communities we serve.”

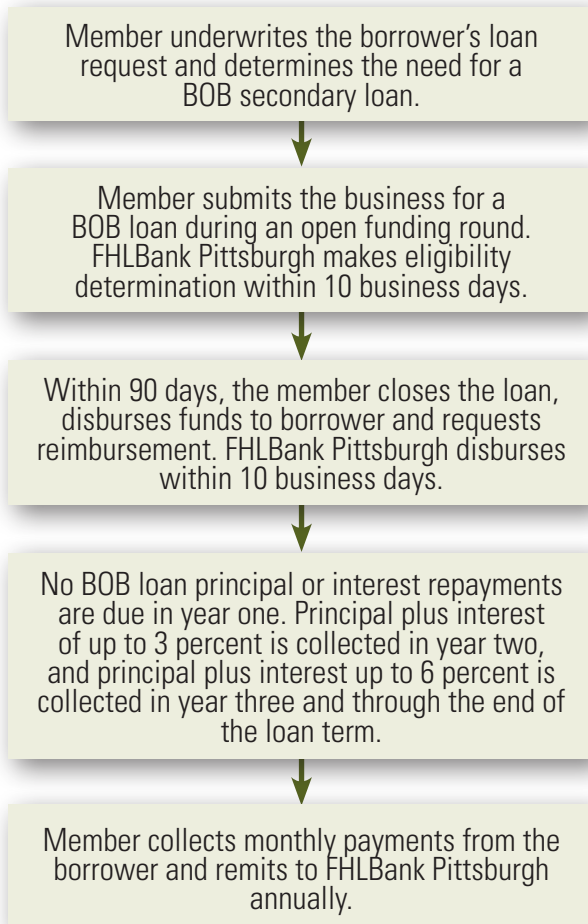
–Peter Bochnovich,  
Senior Vice President, The Dime Bank

# What qualifies for BOB?

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- The business must qualify as a small business based on U.S. Small Business Administration (SBA) size standards.
- The participating member must provide a first loan of at least 40 percent of the proposed deal.
- The participating member must demonstrate that the loan would not have been made without the BOB secondary financing.
- The amount of BOB financing must be equal to or less than the \$200,000 maximum for any small business.
- Total BOB financing must not exceed 50 percent of the participating member loan, except in cases when the member uses a public loan guarantee. In these cases, BOB will provide up to 50 percent of the remaining credit exposure of the member.
- One job must be created or retained for every \$35,000 in BOB funds, or other economic impact must be demonstrated

## BOB Steps:



BOB loans are delivered through a network of FHLBank Pittsburgh members. To get started, please visit [www.fhlb-pgh.com/bob](http://www.fhlb-pgh.com/bob) to access a list of participating member financial institutions, or contact Kate Swanson at 800-288-3400, ext. 7350 or [kate.swanson@fhlb-pgh.com](mailto:kate.swanson@fhlb-pgh.com).



601 Grant Street  
Pittsburgh, PA 15219-4455

800-288-3400  
[www.fhlb-pgh.com](http://www.fhlb-pgh.com)

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