



Banking  
On  
Business

**Banking On Business can fill the financing gap between what a qualified small business needs and what a financial institution will lend.**

# Banking On Business

Banking On Business (BOB) is a useful resource for qualified small businesses that otherwise would not meet traditional underwriting requirements. BOB offers unsecured secondary loans to be used in conjunction with financing from a financial institution that is a member of FHLBank Pittsburgh. A full list of participating members is available at [www.fhlpgh.com/bob](http://www.fhlpgh.com/bob).

## What Qualifies

FHLBank members can apply for a BOB loan on behalf of small businesses based on the following:

- BOB financing must not exceed \$200,000 or 50 percent of the member loan
- Borrower must be considered a small business based on U.S. Small Business Administration (SBA) size standards
- Borrower must demonstrate that one job will be created or retained for every \$35,000 in BOB funds
- Participating member must show that they would not make the loan without the BOB secondary financing

**A BOB loan can be used to fund a variety of needs, including, but not limited to:**

- **Leasehold improvements**
- **Machinery and equipment**
- **Real estate**
- **Renovations**
- **Working capital**

# Small-Business Benefits

Banking On Business is designed to support small businesses:

- Additional collateral is not required, since Banking On Business loans are unsecured
- Banking On Business loans offer competitive interest rates
- Repayments on Banking On Business loans are delayed for one full year

## BOB Repayment Schedule

**Year One:** No principal or interest

**Year Two:** Principal + 3% interest

**Year Three Through End of Loan Term:** Principal + 6% interest

## How to Participate

### Contact a participating lender:

Small business borrowers have a single point of contact – the lender providing the initial business loan.

The lender applies for BOB funding on behalf of the small business, services the loan and collects repayments.

A list of financial institutions that participate in BOB is available at [www.fhfb-pgh.com/bob](http://www.fhfb-pgh.com/bob).



# How It Works

The small business contacts a participating lender.



The lender will underwrite the business loan and verify the borrower's need and eligibility for a BOB loan.



The lender will apply for BOB funding on the borrower's behalf.



Within 10 business days of submitting the application, the lender will be notified if the BOB loan has been approved.



The lender will schedule a closing with the small business to disburse on the lender's primary loan and the BOB loan.



BOB loan repayments begin in year two.



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