



700 Plumas Street, Yuba City, CA 95991  
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## **“Downtown Merchant Loan Program”**

Sutter Community Bank is providing financial assistance to members of the Yuba City Downtown Business Association through the **“Downtown Merchant Loan Program”**.

The Bank understands that construction projects in a downtown retail environment generally has an impact on the merchants operating their businesses during the course of construction. Often sales are impacted by the inconvenience business customers face during the construction period and as a result declining sales have a direct impact on the businesses operating capital.

The components of the **“Downtown Merchant Loan Program”** are as follows:

### **Term of Program**

The Bank intends to provide this program through June 2008.

### **Funds Available**

The Bank has established a pool of funds in the amount of \$250,000 specifically allocated to the loan program.

### **Loan Amounts**

The Bank will provide loans to qualified merchants in the amounts of \$5,000 to \$15,000.

### **Loan Terms and Payment Structure**

Loan terms will be offered up to three years. The City of Yuba City will pay the interest expense on each individual loan for the first year. The city will provide documentation to the Bank guaranteeing the first year’s interest payment on each loan. The merchant will repay the loan on an amortized basis for the balance of the term no later than beginning of the second year or sooner. The Bank will not impose a prepayment penalty.

### **Interest Rate and Fees**

The bank will provide a fixed interest rate for the term of the loan at a rate equal to the prime rate as published in the western edition of the Wall Street Journal less 1% at the time of the loan. The Bank will not impose any loan fees.

### **Borrower Qualifications**

In addition to the Banks underwriting standards, the Bank will also require the borrower to maintain their account relationship with Sutter Community Bank, be a current paid member of the Downtown Business Association and have a remaining lease term that exceeds the term of the loan. The Bank will underwrite each loan separately and underwriting requirements may differ on a case by case basis.

Sutter Community Bank appreciates the efforts of the city in its commitment to beautify the historic downtown and recognizes the importance of the Plumas Streetscape Project and the ultimate benefits the project will provide to all the downtown merchants upon its completion. The City of Yuba City’s partnership with Sutter Community Bank will greatly enhance the opportunity for qualified merchants to benefit from the **“Downtown Merchant Loan Program”**.

Sutter Community Bank is steadfast in its commitment to the Downtown Business Association and the **“Downtown Merchant Loan Program”** is a confirmation of our commitment. Please contact us for more information.