

Iowa Regional Center  
Iowa Economic Development Authority

# Framework of a Typical Project Proposal



The following are preliminary terms of a sample CMB financing framework. These terms will require additional negotiation and complete due diligence by CMB prior to initiating document preparation for financing and execution of any loan commitment. This structure is provided simply for informational purposes.

**Term:** 6-year maturity date; interest only payments with a final principal payment on the maturity date

**Structure:** Loan Agreement(s) secured by interests in one or more limited liability companies owned and controlled by Borrower acceptable to Lender and Borrower

**Principal Amount:** Calculated proportionately to project construction spending, limited liability companies owned and controlled by Borrower and such additional parties participating in the financing. The amount of funds to be made available on any project is simply a function of spending vs. job creation and the proven ability to pay the principal and service the debt

**Prepayment:** At any time in whole after 42 months from and after the Initial Funding Date (to be defined in the Loan Agreement) without penalty; Lender may accept prepayment at an earlier date if the EB-5 investors in a specific investment partnership (lender) have received their final I-829 determinations from the USCIS

**Fees / Charges:** There are three moderate fees/charges to be paid in connection with an EB-5 loan through the Iowa Regional Center. These fees consist of a document preparation fee payable to CMB, and origination charges payable to the Iowa Economic Development Authority (IEDA) and CMB. All costs are outlined in detail in the loan agreement as executed by the lender and borrower. There are no other legal or marketing costs payable by the borrower to the lender. The borrower is responsible for their own legal costs as they deem necessary in preparation and review of financing and security documents

**Document Preparation:** CMB on behalf of the Lender will provide initial working drafts and all final documentation for the intended loan transaction

**Security for Loan:** Security interest to be granted to the Lender providing adequate security interests as determined by Lender; scope and nature of the security interests will be set forth in an agreement by and between Lender and Borrower in addition to any other controlled entities of Borrower required to grant the full security interests as determined by Lender

**Remedies:** Loan will be non-recourse to Borrower and remedies will be limited to those to be exercised as to the Borrower and other controlled entities providing security for the Loan; other customary and typical commercial lender remedies to be contained in the Loan Agreement

**Other Conditions:** Borrower understands that the limited partners comprising the Lender are participating in an EB-5 investment and that each EB-5 investor must demonstrate new American job creation either directly or indirectly. Borrower shall be required to provide documentation acceptable to the Lender such that the Lender can clearly demonstrate that the requisite job creation has taken place for the needs of each investor. The release of this information must coincide with the needs of the Lender. The Lender will provide no less than 30-days' notice of when the documentation is needed

*The preceding information is provided as an example only. Every potential project is considered individually, and requires unique loan terms. In many cases, individual projects may not qualify for EB-5 investments because they do not meet the criteria CMB mandates for an EB-5 project. Our intent is to provide prospective borrowers with GENERAL information about past and prospective CMB Regional Centers' financing opportunities.*