



South Bend Opportunity Fund

Small Business Loan and Coaching Program

Guidelines – Updated February 13, 2025

Program Overview

The City of South Bend Opportunity Fund program provides loans and business coaching to South Bend small businesses. The loans are provided and serviced through 1st Source Bank with the North Central Indiana Small Business Development Center (ISBDC) providing initial and ongoing coaching services to program participants. Loan applicants are required to participate in business coaching.

Loans between \$1,000 and \$30,000 are available to eligible small businesses. This is a loan program and not a donation or grant—businesses receiving a loan will be required to make monthly payments until the loan has been paid in full. Loans will be available on a first-come, first-served basis based on applicant eligibility until program funding has been exhausted.

Eligibility Requirements

Small businesses interested in obtaining an Opportunity Fund loan must meet the following minimum eligibility criteria with no exceptions:

- The applicant must be a for-profit business and be either a startup or have previous calendar year revenues at or below \$300,000;
- The applicant's business must be physically located in and operate within the City of South Bend ([click here](#) to view a map showing the city limits); and
- The applicant must be a legal business entity such as a sole proprietorship, partnership, corporation, or limited liability company.

Any applicant with a previously charged off loan with 1st Source Bank will not be eligible for an Opportunity Fund loan. Also, the applicant will be required to have appropriate worker compensation as required by law, as well as general liability and/or commercial property insurance (as applicable). Applicants will be asked to provide adequate information and supporting documentation to demonstrate meeting program requirements.



Business Coaching

An applicant for the South Bend Opportunity Fund program is required to complete business and financial coaching through the ISBDC before being referred to 1st Source Bank to begin the loan application process.

There will be two separate coaching programs offered, one for start-up businesses (i.e., in business less than 12 months) and a second for established businesses (i.e., in business 12 months or more). Upon completion of the coaching, the business will be referred to a bank loan officer assigned to manage Opportunity Fund loan applicants.

Small Business Loans

Loans are conventional fully amortizing term loans with a fixed interest rate of 5.00% and term of up to 60 months. There will be no loan application fee or closing fees. Loan proceeds can be utilized for working capital and/or to purchase machinery and equipment. Loans will be secured via UCC filings or titled assets.

Underwriting requirements include, but are not limited to, the applicant having a minimum 600 credit score and no bankruptcies in the prior 3 years, as well as no judgements, liens, or foreclosures in the prior 2 years.

A minimum level of business and financial coaching will be required of all applicants. In addition to a required post-loan coaching session, free follow-up coaching will be available and encouraged after the business has obtained the loan.

1st Source will require proof of business insurance, and a business checking account is required to be opened when the loan has been approved and funded.

Applying for the Opportunity Fund Program

Businesses interested in obtaining an Opportunity Fund loan begin the process by visiting this website: <https://southbendin.gov/opportunityfund/>

The website provides additional information and has a link to the ISBDC website to sign up for business and financial coaching. At that point, the applicant will complete a questionnaire and indicate their desire to participate in the Opportunity Fund program. After completion, a representative from ISBDC will reach out to schedule the applicant in the mandatory business coaching.