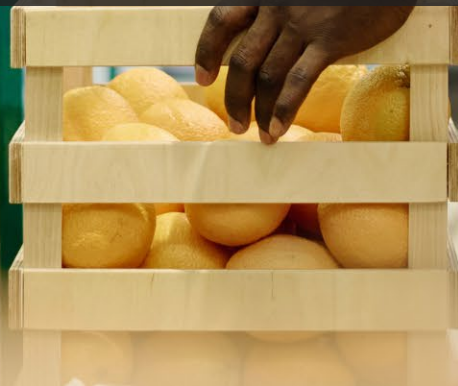




Healthy Food Financing Initiative Food Access and Retail Expansion Fund (HFFI FARE Fund)

Loan Readiness Webinar

Tuesday, September 1, 2026 | 3 PM ET





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Session Overview:

- *Overview of debt financing for food retail businesses*
- *Guidance for determining loan readiness and equity assessments*

Contact Us

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FARE Fund Overview

FARE Fund Loan Program:

- Place-based product designed to serve low-income, low-access communities. Eligibility is based on location.
- Intended for retail-facing businesses that accept SNAP and are committed to improving healthy food access.
- Also includes supply chain projects (distribution, aggregation, etc.) that serve SNAP-accepting retailers.
- Developers may apply but funds must be tracked directly into the eligible project.
- Loans range from \$500,000-\$3,000,000; can go to \$5,000,000 in some circumstances.
- Requires compliance with Federal regulations.

Borrowing & The Business Cycle

Borrowing is an investment

- A tool to move your business forward
- Should support growth

Borrowing is part of your story

- Does not define your business!
- Allows for key milestones:
 - Start up
 - Expansion
 - Pivot



Your Story

Your story should have a clear “why?”

- What market need/condition are you addressing? How did you find it?
- How does your project create the needed solution? Purpose?
- “If you build it, they will come” **ONLY WORKS IN HOLLYWOOD**
- A Market Feasibility Study is crucial to understanding the why!

Your story should have a clear beginning, middle, & end

- Beginning – start up, expansion, or pivot
- Middle – execution of your new project
- End – what happens upon execution, and how is it sustainable (refinanceable)

The Loan Process

When should I talk to a lender?

- Do you have a plan?
- Do you know your story?
- Do you have basic data points?
- Do you have equity or investors?

Generally, the sooner you can speak to a lender, the better.

- Have realistic expectations – Loans take time!
- Expect questions and skepticism – Lenders look for risk!
- Listen actively

The Loan Process

Readiness

- Loan readiness can vary from project to project, but generally should include:
 - Site control – ownership, a purchase agreement, lease or some form of agreement that allows you to improve a site
 - Capital stack – a full sources and uses, with all sources identified and committed; if not all sources are committed, there is a Plan B to fill in gaps
 - Market Study/Feasibility Study – data-driven documentation that demonstrates a market need

The Loan Process

Readiness

Other Key Items:

- Projections demonstrating capacity for repayment
 - Key metrics to know what "winning" looks like
 - Sales/sf
 - Traffic count
 - Average ring size
- Historic/Current financials
 - CPA prepared financials or taxes
 - Personal Financial Statement
- Other capital commitments (grant agreements, equity pledges, etc.)

The Loan Process

Readiness

Equity is broadly defined as other funds you bring to the project that do not have to be repaid

- Grants (governmental, foundation, etc.)
- Owner equity
- Investor equity

Be prepared to provide an explanation for these funds and documentation

The Loan Process

Readiness

Sometimes projects have considerations that seem like equity, but are not:

- Tenant Improvements
- Tax abatements
- Donated land or property

These items are significant but are not necessarily considered equity. They can contribute to other important categories like cash flow and collateral.

The Loan Process

Readiness

Grocery Specific Items:

- **Grocers** – demonstrate experience to operate; explain how you can find key staff members; explain your experience in project management
- **Developers** – share the lease for grocery operator; provide background/experience of that grocer; outline your experience in development

You should be able to explain why HFFI FARE Fund is necessary for the success of the project!

The Loan Process

Lenders expectations for funding projects

- Know your project, know your numbers!
- Have financials readily available – taxes, income statements, balance sheets for 3-5 years
- Have projections ready for up to 5 years
- Provide a complete Sources and Uses, including **equity**
- Have a *succinct* business plan/market study that shows the need for the project
- Be clear on your capacity to repay (Debt Service Coverage Ratio - **DSCR**)
- Be clear on your collateral (Loan to Value - **LTV**)
- Provide evidence of site control – lease, title, agreement to purchase, etc.
- Make sure you understand your zoning and legal requirements

The Loan Process

Lenders consider the following

- Debt service coverage ratio (**DSCR**): how are you repaying the loan? 1.20X is standard.
- Loan to value (**LTV**): what is the value of my loan to my collateral? Lenders typically want to see at least 80% LTV.
- **Equity**: how much money are *you* putting into the project? What are your other sources?
- **Capacity**: do you have the background to execute your plan? Do you know how to get the help you need? Who are your key team members?

The Loan Process

Helpful Hints

- Be honest with your lender: if you have cash flow challenges, credit issues, lack of equity or experience, say so. Demonstrate you have a solution to these challenges.
- Own your numbers: show you are the subject matter expert. Know your numbers when asked.
- Ask questions: you may only take one loan out for your business, so it is possible jargon will confuse you. Ask for clarification!
- Make sure you have appropriate legal counsel and adequate bookkeeping support.
- Make sure you're prepared for Federal requirements such as environmental review (NEPA) and Build American, Buy American (BABA).
- Be prepared for dealing with post closing items like draws and compliance issues.

Contact Us

2026 – 2028 Loan RFA:
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