



Project Financing Assistance

an American Diversified Enterprises company

Comparison of Two Loan Programs Available Through PFA

	Project Financing Assistance's (PFA's) Loan Program	Wholesale Loan Program via Project Financing Assistance (PFA)
Minimum loan amount	\$2.5 million	\$10 million
Maximum loan amount	\$5 billion	\$5 billion
Initial term	5 years	4 years
Allowable extension	up to 5 years	1 year (additional extension negotiable)
Interest-only period	12-24 months	4 years
Annual interest rate	6-8% ¹	4% ²
Closing fee	3%	5%
Is project equity considered?	Yes	No
Minimum equity required	20% ³	N/A
Percent of total project cost financed	80%	100%
Lender's equity position	None	The lender will take a short term equity position in the project. This will be repurchased by the project owner from the project's cash flow after the project is operational. This can be done in phases or at project completion, as appropriate for the project. The amount of equity will be negotiated between the project and the lender. The lender does not want to be an ongoing shareholder but simply wants to share in the increased value of the project for which they provided 100% of the funding.
Pre-payment penalty	No	No
Can Technology Readiness Level (TRL) 7 and 8 development costs be included?	Yes ⁴	Yes ⁴



Can financing for pre-construction costs be included?	Yes ⁴	Yes ⁴
Are startups eligible to apply for financing?	Yes	Yes
Can first-of-their-kind projects and technologies be financed?	Yes	Yes
Personal or corporate guarantees required?	No	No
Eligible loan costs	<p>Eligible loan costs: Project related expenses for preparation of project financing documentation, borrower attorney fees, lender due diligence and legal fees, front-end engineering and design (FEED), construction, start-up, scale-up to full commercial name-plate capacity, principal and interest payments and working capital from loan closing up through the first year of operations following start up, and a reserve fund of up to 10% of the loan amount to cover contingencies</p>	
Project staging requirements	<p>The following must be completed within 4 years of loan closing: Final TRL 7 and 8 development, front-end engineering and design (FEED), construction, start-up, and scale-up of operations to full name-plate capacity</p>	<p>The following must be completed within 3 years of loan closing: Final TRL 7 and 8 development, FEED, construction, start-up, and scale-up of operations to full name-plate capacity</p>
End-of-initial-term project requirement	<p>The project must have been in full name-plate, commercial operation for a minimum of 12 months and 1 day prior to the end of the loan's initial term, with financial statements for this period showing a positive view of the project's revenues, operating expenses, and EBIDTA, so the project can be considered a fully "bankable" project by the end of its initial term and, thus, can meet the requirements of traditional lenders for refinancing and financing of follow-on and additional projects</p>	
Application fee	None	None
Due diligence and attorney fees	€ 25,000	\$ 25,000 retainer ⁵
When are fees due?	Upon acceptance of LOI Funding Submission by PFA and issuance of LOI and invitation to proceed	Upon engagement
Financing deposit	No	Collateral deposit: 10% of loan amount up to a loan amount of \$500 million; 7.5% of loan amount thereafter ⁶



Holding period	N/A	15 months
Are these funds released back to the depositor in full at the end of the holding period?	N/A	Yes
Interest paid	N/A	10-20% APR paid quarterly, plus participation in the lender's portion of the short-term equity in the project ⁷
Underwriting requirements/documents	See PFA's Application Requirements Also: KYC document package: proof of identity (with a picture ID) and proof of address (either permanent or current); acceptable documents include: passport, driver's license, voter's ID card, Aadhaar letter/card, NREGA card, PAN card, utility bills	
Typical funding timeline	10 days - review of online financing request 10 - 20 days - review of Introductory Business Plan 45 - 60 days - review of Full Business Plan 30 days - funding of proceeds	10 days - review of financing request Upon invitation to proceed: 45-60 days: underwriting 60 - 90 days: funding of proceeds
Release of loan tranches	As needed, based on approved Draw Down schedule and Use of Funds statements	
Security	General Security Agreement (GSA) placed on assets financed by loan (additional security may be required for projects considered high risk)	
Restriction on project locations	Loans are available for projects in 84 countries (those with stable governments and economies with a BB+ credit rating or better). Loans are not available to projects in countries with dictatorships or authoritarian governments; however, there are seven exceptions to this: Bahrain, Laos, Oman, Qatar, Saudi Arabia, United Arab Emirates, and Vietnam.	

¹ Interest rate is based on the Project Financing Assistance (PFA) risk assessment

² Employment-creating projects likely qualify for a 50% interest rate reduction

³ Equity can be made up of cash; project-related real estate; and documented expenditures (as applicable) for construction and operation of prototypes and pilot and commercial demonstration facilities; patent applications and licensing fees (but not for intellectual property, or IP, which has no commercial value until the IP has been successfully deployed at full commercial scale); geological, soil, water, air, emission, discharge, and consumption sampling and testing; environmental studies, assessments, and mitigation; lifecycle analyses; feasibility, economic impact, marketing, and feedstock and raw material supply studies; project, technology, and risk assessments; cost analysis, budgeting, and financial modeling; site control (lease, option, or purchase); front-end engineering and design; permitting; site preparation; equipment purchases and deposits; supply and offtake agreement negotiations/advertising and marketing to generate sales; and project-related salaries, benefits, and administrative costs.



⁴ Financing for TRL 7 and 8, front-end engineering and design (FEED), and other pre-construction costs can be included only if the project can be constructed, reach name-plate capacity, and operate at full commercial scale for 12 months and 1 day prior to the end of the loan's term

⁵ Due diligence, loan underwriting, and attorney fees are billed to the borrower on a fee-for-services basis, with the fees charged, first, against the initial retainer, then on a monthly basis thereafter. These fees may be added to the loan amount, but must be paid by the borrower as services are rendered.

⁶ This collateral deposit is required to be made after initial positive assessment of the project and the parties involved. The deposit must be in cash which is placed in a non-depletion account. This account will be arranged with the lender in a top tier bank and will have an administrative hold placed on the funds during their 15-month holding period. At the option of the depositor, the collateral deposit may be rolled over up to 48 months.

⁷ The interest earned on the collateral deposit will be 10% to 20%, paid quarterly, plus participation in the equity of the project from 5% to 20%, depending upon the amount of the deposit; the interest paid depends upon the amount of the deposit