



Eligibility Criteria for Borrowing from the Fund

All licensees or prospective licensees of noncommercial, educational public media organizations operating under a renewable license granted by the Federal Communications Commission are eligible to apply to the Fund. The majority of the station's daily broadcast schedule within its primary service area must be intended for a general audience and of an educational, informational and cultural nature. Program schedules that are primarily focused on a particular political or religious philosophy are not eligible borrowers.

Priority is given to public media organizations that demonstrate the financial capacity to repay the loan in a timely manner while expanding public interest programming to their respective communities. In determining the eligibility of an organization wishing to borrow from the Fund, the Fund will consider relevant organizational and financial criteria, such as the following:

1. The viability of the project as evidenced in a detailed analysis of the borrower's financial history, including at least three years of Audited Financials and 990s filed with the IRS; revenue and expense trends and debt management experience; the borrower's current financial position, including cash reserves; and, the borrower's business plan including financial projections for operating the proposed service.
2. The value of the asset being acquired. In the event the Fund is being used to acquire a broadcast station, an independent appraisal of the license will be a prerequisite to receiving funding.
3. The quality and experience of the borrower's management team, staff, and governing board of directors.
4. An analysis of the market in which the proposed project will occur. For example, the Fund will analyze the other commercial and noncommercial stations in the market, the market's demographics, and the potential of reselling the license in that market.
5. The public interest served by the proposed format and its financial sustainability in the given local market, and the borrower's use of multiple platforms, such as the Internet and podcasting, to supplement the broadcast service.
6. Whether a guaranty source exists to support all or a portion of the debt service, and whether the borrower will initiate a capital campaign to offset all or a portion of the debt service.