



**MICROLOAN PROGRAM
MICRO-ENTERPRISE PILOT LOAN PROGRAM**

GOAL: *To provide start-up to newly formed small businesses known as micro-enterprises with financial assistance to supplement their working capital in order to ensure success*

DESCRIPTION: An initial pool of \$50,000 has been established to fund this Revolving Loan Program as a pilot program. The Small Business Development Center, Inc. (SBDC) has full authority and responsibility for the administration of the loan program. Approval of all loans rests with SBDC, Inc.

GUIDELINES:	<u>AMOUNT</u>	Direct loans of \$500-\$5,000. Loans over \$5,000 to be participated with financial institutions on a 1:1 basis
	<u>TERM</u>	Up to 36 months
	<u>RATE</u>	Up to 4% over prime at time of loan closing. To be fixed for the term of the loan
	<u>FEE</u>	\$50 <u>non-refundable</u> application fee
	<u>LATE CHARGE</u>	5% of loan payment amount not received within eight days of due date

REPAYMENT TERMS: Terms of repayment will be reviewed and tailored to the borrower's ability

- ELIGIBILITY:**
- ◆ Be located within City limits or on property owned by the City
 - ◆ Be a for-profit business
 - ◆ Be a start-up business
 - ◆ Not have more than 5 employees including owner at time of loan
 - ◆ Present a business plan demonstrating:
 - ▶ Sound business purpose and eligible business activity
 - ▶ Feasibility of business
 - ▶ Repayment ability

- ◆ Show skills and capabilities of management of the particular business
- ◆ Have satisfactory business and personal credit experience

CONTACT:

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cm/economic dev/handout avail/MicroLoan
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