

LOAN PROGRAM GUIDELINES 2007 (unless otherwise explained)

- All government obligations are required to be current
 - Student loans
 - Child support
 - Alimony
 - Personal Income Tax
 - Real Estate taxes – own or lease
- Credit – must show 12 months current
 - Minimum credit score 550
 - Tri – merge required with credit scores below 700
- Related work experience – minimum 6 months
- GAP funding only 35% maximum of public moneys
- Minimum 10% of owner's equity
 - Real Estate, equipment & cash
 - If cash (verify by bank statement)
- Collateral other than real estate equipment and business assets
 - Stocks and Bond
 - Cash Value on life insurance
 - Savings Pass Book
- Fees
 - Application
 - \$150.00 per funding request totaling \$25,000 or under
 - 1% of total loan proceeds for all loan requests over \$25,000 total
 - Appraisal fees as required
 - Attorney's
 - SLDC Loans - \$400 + filing fees
 - SCCBC Loans - \$500 + filing fees
 - Late fees
- Maximum Loan Amount: \$50,000 (each fund)
- Maximum Microloan Amount: \$25k (business with 5 or less employees)

- Rates – Rate is based on the applicants credit score, collateral, character and work history.
(Summary of credit to be submitted by staff with completed package)
 - Prime + 1 to 3 points based on staff recommendation
 - If in EZ or RC rate is reduced by ½%
 - Non Real Estate Loans will be increased 1%
 - All loans are subject to electronic payments; if non-electronic payment is requested, the rate of the loan will be increased by ½%
- Terms – related to use of funds:
 - Maximum 3 year terms for working capital loans
 - Maximum 7 year terms for equipment
 - Maximum 10 year terms for real estate
- HUD and CDBG requirements supercede local guidelines
- Participation in the Entrepreneurship Program unless experienced
 - Experience/education-accounting, marketing & human resource modules
- Write their own Business Plan – with assistance from staff
- Job creation – 1 job created per \$25,000 loaned
- Mentoring – mandatory for life of loan