



MICROLOAN PROGRAM

PRE-INQUIRY QUESTIONS & BASIC QUALIFICATIONS

Question #1: Where is your business/potential business located?

The MVSBC services loans for all of Middlesex & Essex counties.

Question #2: Have you tried applying for any funding through other lenders or banks?

Our Microloan Fund is geared towards applicants who cannot receive traditional loans.

If request is \$20,000 or more, proof of bank denial or ineligibility is required.

Question #3: How much funding will you be applying for?

Our Microloan Fund is for loans up to \$50,000 (which includes closing and filing fees).

Ineligible Businesses: (Most Common)

- Any nonprofit business (other than a nonprofit childcare center)
- Any financial business primarily engaged in the business of lending
- Life insurance companies
- Any pyramid/multi-level marketing sale distribution company (i.e. Herbalife, Mary Kay, Avon, Tupperware, Etc.)
- Any business deriving more than 1/3 of its gross annual revenue from legal gambling activities
- Any private club or business that limits membership for reasons other than capacity
- Government-owned entities (other than businesses owned or controlled by a Native American tribe)
- Any business principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting
- Any business with an associate who is incarcerated, currently on probation or parole, or currently under indictment for a felony or crime of moral turpitude.
- Any business that presents live performances of a prurient sexual nature or derives directly or indirectly more than 5% of gross revenue through the sale of products or services or the presentation of any depictions or displays of a prurient sexual nature
- Any business primarily engaged in political or lobbying activities
- Any business owned or controlled by an applicant, or associate, who is over 60 days delinquent in child support
- Any business owned or controlled by an applicant, or associate, who is an undocumented (illegal) alien

For complete list of ineligible businesses, see the SBA's Microloan Program Standard Operating Procedure Manual: SOP 52 00

Other Loan Facts:

- At least **5 hours** of one-on-one business counseling and/or classes with the MVSBC are required prior to application review.
- Loan program participants do not have to pay any membership fees or training fees.
- Loan recipients are required to complete AT LEAST 18 hrs. of MVSBC assistance post-loan closing. (This may include one-on-one counselling, classes, trainings, or seminars.)
- Loan interest rate: Between 5.25%-7.75% / Average Loan Payment Term: 60 months.
- Applicants do not have to have good credit to apply, although their credit score & report are checked / considered.
- Applicants CANNOT be in default of any government taxes/loans/collections. (Delinquency reports are checked for every loan applicant.)
- Applicants must have a business plan & projected cash flow report to apply. (Assistance is available if necessary.)
- Loan processing time is approximately two months from inquiry to approval/denial & additional 1-2 weeks for closing & disbursement of funds, if approved.
- Loan committee meets every 4th Wednesday of the month. Completed Loan Application Form (provided by Loan Processor at first appointment) must be submitted 3 weeks prior in order to be considered. All requested supporting documents 2 weeks prior.

For more information visit: www.commteam.org/small-business