**MICROLOAN PROGRAM**

**PRE-INQUIRY QUESTIONS & BASIC QUALIFICATIONS**

<table>
<thead>
<tr>
<th>Question #1: Where is your business/potential business located?</th>
<th>The MVSBC services loans for all of Middlesex &amp; Essex counties.</th>
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</thead>
<tbody>
<tr>
<td>Question #2: Have you tried applying for any funding through other lenders or banks?</td>
<td>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.</td>
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<td>Question #3: How much funding will you be applying for?</td>
<td>Our Microloan Fund is for loans up to $50,000 (which includes closing and filing fees).</td>
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**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](http://www.commteam.org/small-business)*