



Small Business Micro-Loan Program

The Virginia Small Business Financing Authority's Small Business Micro-Loan Program is designed to assist Virginia's existing small businesses across the Commonwealth. Short-term loans are provided to help established businesses create new jobs and retain existing "at risk" jobs in Virginia. Loan requests are encouraged to be coupled with technical assistance provided by the Virginia Small Business Development Center network and additional funding can be requested for those who evidence having worked with Virginia's SBDC's.

Eligible Borrowers:

Qualifying borrowers must be a business currently operating in Virginia, be in good standing with the State Corporation Commission or other applicable state or local licensing authority, and have been in operation for at least three (3) years. Businesses must also meet at least one of the following criteria to be an eligible borrower:

- Have \$10 million or less in annual revenues over each of the last three years; or
- Have a net worth of \$2 million or less; or
- Have fewer than 250 employees; or

Personal Guarantors:

All owners of 20 percent or more of the applicant business (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) will personally guarantee the loan.

Approval:

A minimum 720 personal credit score is required for all individual guarantors and/or proprietorship applicants.

Amount:

Maximum loan amount is \$10,000; however, special consideration will be given to increase the approved loan amount to \$25,000, if requested by the applicant business on the application and accompanied by a referral form from the SBDC. The SBDC form must reflect that the applicant business received in-depth technical assistance from the Virginia SBDC network in order to be considered for the additional loan amount.

Term:

Loans will amortize monthly and have a maximum maturity of 12 months. Payments must be made through automated clearing house (ACH). No business or owner may have more than one (1) loan through this program at any one time and no more than two (2) with the VSBFA within a 3 year period.

Interest Rate and Fee:

Fixed base rate is tied to the *Wall Street Journal* Prime rate with a spread based on the credit risk as determined by VSBFA. The rate will not exceed the Prime rate plus 3%. \$100 non-refundable application fee.

To qualify for assistance under the Small Business Micro-Loan Program, the applicant business must:

- ✓ Create or save permanent full-time jobs;
- ✓ Provide a first lien on the assets purchased with the loan proceeds; however, a subordinate lien position will be considered.

Loan funds can be used for:

- Financing accounts receivable & inventory
- Contract financing
- Financing permanent working capital or fixed asset purchases
- Leasehold improvements or expansions
- Purchase and installation of machinery & equipment
- Technology infrastructure

Loan funds *cannot* be used to:

- Refinance or restructure a bank's existing debt
- Finance businesses engaged in residential construction or passive real estate investment
- Compensate for a fundamental business weakness

Completed applications will be reviewed by the VSBFA staff. The staff generally can make the credit decision within a few business days. Credit decisions will be based primarily on the credit history of the owners as reflected by their credit score. For additional information and application materials, visit our website, www.vdba.virginia.gov or call 1-866-248-8814.



Virginia Small Business Financing Authority Small Business Micro-Loan Program

Business Name: _____ Tax ID #: _____

Address: _____ Phone #: _____

Address: _____ Fax #: _____

City: _____ State: _____ Zip: _____ Contact: _____

County: _____ E-mail: _____

Legal Type:

C-Corporation S-Corp LLC Partnership LLP Proprietorship Individual

Date established: ____/____/____ NAIC: _____

Business Description: _____

Annual Revenues: \$ _____

Type of Project: Expansion Transfer of Ownership Other _____

Amount of request: \$ _____ (The maximum loan amount under this program is \$10,000; however it is possible to request up to \$25,000 under conditions shown below.*)

Purpose: _____

Collateral: _____

Guarantors**: _____

Full time jobs saved as a result of this financing

Full time jobs created as a result of this financing

Year 1

Year 2

Year 1

Year 2

Average hourly wage rate \$ _____

Capital Investment Expected

\$ _____

\$ _____

\$ _____

Year 1

Year 2

Year 3

Schedule of Applicant's debts, leases, notes and mortgages (attach additional sheet if necessary).

| Creditor | Original Loan Amount | Loan Balance | Date of Loan | Maturity Date | M-Monthly Q-Quarterly A-Annual | Payment Amount | Current? Yes/No | Collateral |
|----------|----------------------|--------------|--------------|---------------|--------------------------------------|----------------|-----------------|------------|
| | | | | | | | | |
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Small Business Micro-Loan Program Applicants
Attach the following to complete your application package:

Financial Statements: Not required. Credit decision will be based on the credit score of the guarantors.

* **Amount of request:** Special consideration will be given to increase the approved loan amount to \$25,000, if requested, provided the applicant business presents the VSBFA with a "Referral Form" from the Virginia Small Business Development Center network. (Attached)

****Guarantors:** All individuals and business entities owning 20 percent or more of the applicant business (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) will be required to guaranty the loan. Credit decision will be based on the credit score of the guarantors. A minimum individual credit score of 720 is required for approval.

Certificate of Good Standing from the State Corporation Commission or other applicable state or local licensing authority.

Articles of Incorporation, Partnership Agreement, Corporate Resolution, or Authority to Transact Business documenting authorization to borrow in the name of the applicant.

Copy of driver's license for each individual guarantor or borrower.

Application Fee – Check or money order made payable to VSBFA in the amount of \$100.00. Please note: This is not refundable.

PLEASE COMPLETE THE FOLLOWING:

| PROJECT COSTS | | SOURCES OF FUNDS | |
|----------------------|-----------------|-------------------------|--------------|
| LAND COST | \$ _____ | BANK | _____ |
| BUILDING COST | \$ _____ | VSBFA | _____ |
| EQUIPMENT COST | \$ _____ | OTHER GOVT | _____ |
| WORKING CAPITAL | \$ _____ | CASH EQUITY | _____ |
| LEGAL/CLOSING FEES | \$ _____ | OTHER LENDER | _____ |
| OTHER | \$ _____ | OTHER | _____ |
| TOTAL | \$ _____ | TOTAL | _____ |

IN ORDER TO KEEP FINANCIAL INFORMATION CONFIDENTIAL AND NOT PART OF PUBLIC RECORDS, YOU MUST MARK EACH PAGE "CONFIDENTIAL".

The undersigned hereby certifies that all information contained above and all information contained in attachments which make up this loan application are true to her/his best knowledge and belief, and are submitted for the purpose of obtaining financial assistance from the Virginia Small Business Financing Authority.

Name of applicant: _____

By: _____ **Date** _____

INFORMATION ON BUSINESS TO BENEFIT FROM LOAN REQUEST

List all owners, officers, directors and general partners of business and stockholders or limited partners owning 20% or more of business and including any spouses owning 5 percent or more when the combined ownership of both spouses is 20 percent or more. All persons or corporations with an ownership interest of 20% or more (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) must guarantee the loan. (attach additional sheet if necessary).

| Name | Address | Office Held | % of ownership |
|------|---------|-------------|----------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Eligibility Requirements:

Does the business, including any parent or subsidiary corporation or affiliated entity, in Virginia have:

1. 250 or less employees? Yes No Current # _____
2. less than \$10,000,000 in annual gross revenues over each of the last three (3) fiscal years? Yes No
3. less than \$2,000,000 in net worth? Yes No

Is the applicant business a qualifying 501 (c) (3) non-profit entity operating in Virginia? Yes No

Is the applicant business currently operating in Virginia and has it been continuously operating for at least three (3) years? Yes No

If the answer to any of the following questions is “yes”, please furnish details on an attached sheet.

1. Have any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business ever been charged with, or convicted of, any criminal offense, other than minor motor vehicle violations?
Yes No
2. Has the business or management of the business been informed of any current or on-going investigation of the business with respect to possible violations of state or federal securities laws? Yes No
3. Has the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business been in receivership or adjudicated as bankrupt? Yes No
4. Is the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business involved in any pending lawsuits? Yes No
5. Does the business or any guarantors owe past due federal, state or local taxes of any nature? Yes No

GUARANTOR(S)

Name: _____

Name: _____

Address: _____

Address: _____

City/State: _____

City/State: _____

TIN#: _____

TIN# _____

The business ownership information requested below is voluntary and for statistical purposes only. It will not impact the credit decision of the VSBFA.

- Race:**
- Asian
 - Black
 - Hawaiian
 - Pacific Islander

- Race(cont.):**
- Native American
 - White

- Gender:**
- Male
 - Female
 - Male & Female

- Hispanic:**
- Yes



REFERRAL

Virginia Small Business Financing Authority

Applicant/SBDC Client Name: _____

Business Name: _____

I request that the _____ SBDC verify the following information:
(select all relevant items)

- I am an SBDC client and I have worked with an SBDC counselor to:
 - Complete a business plan/business proposal
 - Complete financial projections
 - Prepare a financing request
 - Other _____
 - Other _____
 - Other _____
- I completed a NxLevel course presented by the SBDC
- I completed a FastTrak course presented by the SBDC

Applicant/SBDC Client Signature _____

Date (mm/dd/yyyy) _____

SBDC Director Name (printed) _____

SBDC Director Signature _____

Date (mm/dd/yyyy) _____

Original to VSBFA
Copy to Applicant
Copy to SBDC Director for Client File