



# Microenterprise Loan Fund

## Program Description

- ◆ Microenterprise Fund (MEF) loans are designed for start-up, newly established, or growing business. Funds will be made available to qualifying entrepreneurs (located in CEDA-contracted cities and counties) based on established loan fund procedures.

## Type of Assistance

- ◆ Small business loans are to be used for: seed capital, working capital, purchases of inventory, equipment, real estate, building renovation and expansion capital.

## Eligibility Requirements

- ◆ Business must be able to demonstrate a need for financing through a realistic business plan (refer to business plan checklist)
- ◆ Business must be unable to obtain financing from a traditional lender
- ◆ Projected sufficient income to repay interest and principal within a timely Period.

## Ineligible Uses

- ◆ Debt Refinancing
- ◆ Equipment relocation within same structure
- ◆ Routine Maintenance
- ◆ Illegal activities
- ◆ Businesses that derive the majority of their income from restaurant or liquor sales.

## Amounts/Maximum

- ◆ Maximum loan \$60,000

## Terms & Collateral Interest Rates

- ◆ Value of all collateral will be determined as well as the quality and secondary markets that exist. Collateral can consist of real estate, accounts receivable, equipment and other tangible and intangible assets of value.

- ◆ Consideration regarding the size and risk of the loan will be influential in setting the interest rate but will not exceed 6% fixed.

- ◆ Terms are generally six years or less.

## Fees

- ◆ Loan origination fee, plus cost of searches, credit reports, filing and legal – not to exceed \$350.

## For More Information

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