

**SUMMARY OF PROGRAM AND REQUIREMENTS FOR APPLICANTS
ADVANCE'S BROWN COUNTY
MICRO LOAN PROGRAM**

Advance, the economic development division of the Green Bay Chamber of Commerce, has created a Micro Loan Program (MLP). This program is designed to provide loans from \$5,000-\$100,000 to start-up, newly established and emerging businesses located within the County.

Any for-profit business opening or expanding operations in Brown County is generally eligible to participate in the MLP. Applications can be submitted at any time throughout the year. The typical review and approval process will take 30-60 days. Passive businesses which are owned by individuals who are not directly involved in the day-to-day operations of the business are not eligible for this loan program. (Other restrictions apply; please contact the Director of the MLP to determine if your business qualifies.) Loan funds can be used for the purchase of fixed assets to be used in the business, for inventory and working capital, including payroll, down payments for leased space, supplies, insurance premiums, legal and accounting expenses, etc. Funds cannot be used for the refinance of existing debt, for personal uses and for reimbursement of expenditures already made.

Businesses interested in applying for MLP loans must first meet with the director of the MLP program, Marianne Dickson, for a pre-application meeting. Appointments can be scheduled with her by calling 920-496-2111. Meetings can be scheduled at Advance which is located at 2701 Larsen Road, Green Bay, WI or at your business.

The applicant must have a business plan, be able to personally contribute a minimum of 10% of the project cost and have a minimum of two months of working capital in reserve. All owners and their spouses will be required to personally guarantee the loan. (Also see the Loan Application Documentation Checklist which details the information that is required to apply for a loan.)

Interest rates will be fixed for the term of the loan and established by the Loan Committee based on the overall risk assessment of the loan project. The maximum term of the loan will be seven years. Advance will seek to have the best possible collateral position possible to ensure the loan is adequately secured. Collateral will include all business assets and personal assets as warranted and deemed necessary. Finally, there are no prepayment penalties.

Businesses that are interested in applying for a loan will be requested to submit an application along with a business plan and other documents as detailed in the Loan Application Documentation Checklist. Further, a nonrefundable application fee is

Appendix H

required and must be submitted prior to any review of the request. The fee should be made payable to Advance. The application fees are based on the loan size as follows:

- | | |
|---------------------------|----------|
| ✓ Loans \$10,000 or less: | \$ 75.00 |
| ✓ Loans \$10,001-\$50,000 | \$100.00 |
| ✓ Loans >\$50,000 | \$150.00 |

The Advance Loan Committee will review all loan requests and determine if the loan will be approved and under what terms and conditions. The loan applicant will make a presentation to the loan committee during this process.

If the loan is approved, the MLP Director will work with the business to close the loan on a timely basis. Loan disbursements will be done on a controlled basis. This means the business will make draw requests as needed with a frequency no more than once per week. All draw requests will be accompanied by invoices, purchase orders or proof of payment to support the request. The Director will verify that the date of disbursement of payment was after the loan approval date and that the amount requested is within the cash flow budget as originally approved.

Invoices for the monthly principal and interest payments will be mailed to the loan client 15 days prior to its due date. Ongoing financial statements will be required, as will periodic client meetings with staff and/or volunteers of Advance and its partners. This is done to assist the business if problems arise, focusing on developing the business to be a long term success in its community.