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Tel: 250-445-6618
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Box 2949
Grand Forks, BC, V0H 1H0
Tel: 250-442-2722
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Micro Loan Application

Part I – Micro Loan Application Instructions

Introduction

Thank you for considering a Micro Loan through CF Boundary. This application package is all you need to apply for a Micro Loan. Read through the entire application package first. If you have any questions or are having trouble filling out this application, please call our Greenwood office at (250) 445-6618 or our Grand Forks office at (250) 442-2722. If we are not able to answer your questions, we should be able to direct you to someone who can.

What is a Micro Loan?

- A small business loan from \$200.00 - \$5,000.00.
- Approval is based on sales potential of your product or service and your ability to run the business. We will consider collateral and personal investment, but not to the extent that we do for our normal business development loans.

Who can get a Micro Loan?

- You must be 19 years or older. If you are under 19 years old, you must have a co-signer
- You must be a resident of the Boundary Area.
- You must be legally entitled to work in Canada.
- You must not be able to obtain financing from traditional lenders (e.g. banks, credit union, etc.)

Is my business idea eligible?

A Micro Loan can be for any business purpose EXCEPT, but not limited to: multi-level marketing; illegal activities; promotion and/or use of weapons, violence, sexual or racial discrimination; exploitation of people; exploitation of the natural environment; or any other business activity deemed by CF Boundary to be unethical or offensive to local values. If you are unsure whether or not your business idea will qualify, please call us before you complete this application.

How much does it cost?

The interest rate on Micro Loans is 12 %. However, if you pay back your loan on schedule and in full, we will rebate you 25 % of the interest paid on your loan. This means that in the end you may only pay approx 9.0 % interest. (Interest rates are subject to change at any time at the discretion of CFDC of Boundary Area.)

Is there a fee?

We charge only a small fee of 2 percent of your loan request for processing your loan. You are only required to pay this fee if your loan application is approved. We can loan you the money for this fee, if necessary. Minimum fee \$75.00

Why is there so much paperwork involved in applying for a Micro Loan?

We have seen many businesses, both big and small, succeed and fail. Along the way, we have learned that there are some basic things that all people should consider when going into business for themselves. These 'basic things' are addressed in this application package. Most of them, you will have thought of already.

Growing communities one idea at a time.

This should make it easy for you to complete the forms. However, there are some things that you may not have considered. These 'things' will also be addressed in this application. Considering all questions in this application package could make the difference between success and failure of your business idea.

The information you provide us with in this application assists us in determining the risk involved in lending you money. Risk is based mostly on business management and earning potential. It is risk that we will consider when deciding upon your loan application.

How do I fill out the application package?

You may use the enclosed form and fill-in the blank spaces or you may write or type your answers on a separate piece of paper. If you use a separate piece of paper, be sure to answer all of the questions and use the same question numbers as in the enclosed application package. This will ensure easier processing on our end.

What do I do once I've filled it out?

1. Ensure that you have answered ALL of the questions.
2. Make and keep a copy for yourself (we can do this for you at our office if you don't have access to a photocopier).
3. Submit your application to either our Greenwood or Grand Forks office in person, by mail or by fax.

What will happen after I fill out the application?

1. A loans employee will contact you once they review your application. They will then set up an appointment time to meet with you to discuss your application.
2. A decision will be made as soon as possible.

How else can CFDC help me?

Before you apply for a Micro Loan, you may want to consider attending our *Two-day Business Planning* workshop. This workshop is offered once a month either in Grand Forks or Greenwood. If you require more personal assistance, one-on-one business counselling is available. These services may be available to you free of charge. Call our Grand Forks or Greenwood offices for details.

After your Micro Loan is approved, technical support is available to help you get your business off the ground and running smoothly. Drop by, or call one of our offices to receive our most recent publications, including handouts, brochures or our quarterly newsletter, "Entrepreneur" for a list of upcoming business workshops.

Other programs and services offered by CFDC of Boundary Area include:

- The Self-Employment Benefit (SEB) program is available to individuals with a recent Employment Insurance (EI) or Maternity/Parental claim or individuals who are in receipt of BC Benefits.
- Employment Services (including Job Search workshops, Internet Job Bank computers, local job board, resume-writing software, Individual Employment counseling, free resume photocopying and faxing, Boundary Wage Incentive Program)
- An extensive business resource library at your disposal

Summary

CF Boundary is here to help you. However, our loan money belongs to all citizens of the Boundary Area. It is not free money. We have to ensure that you can repay your loan, so that we can loan the money to other business people like you. We thank you in advance for your cooperation regarding this matter.

If we cannot offer you a loan it does not mean that you are a bad businessperson. It also does not mean that you have a bad business idea. It just means that your business idea is too risky for our loan program. We will be happy to give you other ideas for obtaining the financing you need. Whatever the outcome of your loan application may be, we wish you all the best in your venture.

Good luck!

Part II - Micro Loan Application Cover Sheet

You MUST attach this cover sheet to the front of your application package. If you operate or plan to operate your business as a partnership, each partner MUST fill out a SEPARATE cover sheet and attach it to the front of the application package.

Applicant's Personal Information (All fields are REQUIRED)

Business Name: _____

Last Name: _____

First Name: _____ Initial (s): _____

Former Name(s) including other first/last/middle names used, maiden name, etc:

Social Insurance Number: _____ Date of Birth: _____

Home Phone: _____ Cell Phone: _____

Work Phone: _____ Fax: _____

Email: _____ Website: _____

Are you married, divorced, widowed, separated, single or common-law? _____

Street Address: _____

Mailing Address: _____

City: _____ Province: _____ Postal Code: _____

Do you rent or own? _____

How long have you been at this address? _____

Previous address if less than 5 years at your current address

Number of dependents (excluding spouse) _____

Spouse's full name: _____

Spouse's date of birth (y/m/d): _____

Spouse's employment information - provide name and mailing/street address, phone/fax numbers and length of employment. Please list or attach resume.

Name, address and phone number of the nearest relative not living with you:

Are you currently receiving Social Assistance Benefits Yes _____ No _____
Are you currently receiving Employment Insurance Yes _____ No _____

Co-Applicant's Personal Information (All fields are REQUIRED)

Business Name: _____

Last Name: _____

First Name: _____ Initial (s): _____

Former Name(s) including other first/last/middle names used, maiden name, etc:

Social Insurance Number: _____ Date of Birth: _____

Home Phone: _____ Wireless: _____

Work Phone: _____ Fax: _____

Email: _____ Website: _____

Are you married, divorced, widowed, separated, single or common-law? _____

Street Address: _____

Mailing Address: _____

City: _____ Province: _____ Postal Code: _____

Do you rent or own? _____

How long have you been at this address? _____

Previous address if less than 5 years at your current address

Number of dependents (excluding spouse) _____

Spouse's full name: _____

Spouse's date of birth (y/m/d): _____

Spouse's employment information - provide name and mailing/street address, phone/fax numbers and length of employment. Please list or attach resume.

Name, address and phone number of the nearest relative not living with you:

Are you currently receiving Social Assistance Benefits Yes ____ No ____

Are you currently receiving Employment Insurance Yes ____ No ____

Part III – Micro Loan Business Plan

- If you have already prepared a business plan that provides answers to all of the following questions, please submit your business plan instead of Part III.

Business Description

Business Name: _____

Your Name: _____

There are a lot of surprises that you cannot predict in business. However, finding answers to the following questions will at least prepare you for the surprises that you can predict.

- How will the competition react when you start up?
- Are you dependent on any other businesses? What happens if they fail?
- How many people will buy from you? How much will they pay?
- Will you have enough cash to survive while you are establishing your business? What happens if sales are slower than you predicted?

Provide as much detail as possible. Attach extra pages, if necessary. If you need assistance, please call us.

Introduction

1. In a few sentences, summarize your business idea.

2. Are you planning to build on an existing business or start a new business?

Note: For existing businesses, please submit up to 3 years of financial records (i.e. Income Statements, Balance Sheets, etc.)

Target Market

3. Who are your customers? (i.e. characteristics, age, income, size, area, trends, numbers, etc.) Be specific.

4. How will people find out about your business? How much will this cost you? Be specific.

5. Who is your competition? Be sure to consider how many competitors you have, both local and out of area, their reputation, price, strengths/weaknesses, etc.

6. Why will people buy from you instead of the competition? What do you do better?

Operations

7. What space or equipment do you need to run your business? Where will the business be located? Are renovations or repairs required, etc.?

Production

8. What steps are required to make your product or service? Who does what, when, where and how? Are you dependent on anybody, etc.?

Marketing

9. What steps are required to sell your product or service? Do you have enough time to produce *and* sell your product or service? Are distributors or shippers involved, etc.?

Money

10. What price do you charge? How did you decide on the price? Will it cover your costs? How does it compare to the competition, etc.?

11. What do you expect your sales and purchases to be in the first 12 months of business operation (i.e. Cash Flow)?

Note: Cash Flow is one of the most important financial tools for people running businesses. It estimates when money will come in and when it will go out over the course of the year. . We have sample cash flow worksheets and books to help you complete the form in our resource library. Please ask us for help if you need it.

Part IV – Micro Loan Summary

Business Name: _____

Your Name: _____

We ask you the following questions to encourage you to think about:

- Will you have enough money to start out?
- Could you start out with less money?
- What happens if the business does not work out? How will you pay back the loan?

Please provide as much detail as possible. When in doubt, give us a call.

1. How much money do you want to borrow? \$ _____
2. How much money are you planning to get from other sources? (e.g. personal savings, loans from friends or family members) You must list all sources of possible financing.

SOURCE

AMOUNT (\$)

3. How will the money listed in questions 1 and 2 be used (e.g. purchase equipment, inventory, materials) Be specific.

EXPENSE

AMOUNT (\$)

4. If your business does not work out, how will you pay back the loan? We will work hard to make your business a success and we know that you will try your hardest, too. However, sometimes businesses fail for reasons we cannot predict. You are obligated to pay back your loan, whether or not your business succeeds. Tell us how you will make your payments if your business doesn't work out. Be specific and realistic.

5. What collateral may we have to secure this loan?

Collateral is specific property we can have to sell if you can't pay back your loan. For Micro Loans, having good collateral is not required, but will be beneficial to your application.

List personal and business assets (e.g. vehicle, computer, jewellery, bicycle, etc.) you are willing to offer as collateral. Make a conservative estimate of their current selling price. Also, list any money you owe on any of your assets. I.e. you may have a car worth \$6,000 and an outstanding car loan of \$4,000. This leaves you with \$2,000 in collateral.

ASSET	MARKET VALUE (\$)	AMOUNT OWING (\$)

6. Are you related to any member of the Board or employee of CFDC? Yes () No ()

If yes, please describe

Note: Community Futures Boundary Board members and employees are not allowed to benefit from Community Futures programs. If you are related, you may still be eligible for a loan. But first, we need to ensure that the loan is for you, not for your spouse or relation.

7. Please list 3 personal references

Name address telephone # relationship

Name address telephone # relationship

Name address telephone # relationship

Part V - Personal Information

If your business is a partnership, all partners must answer these questions SEPARATELY.

Business Name: _____

Your Name: _____

We ask these questions because the loan is made to YOU, not your business. Any information that you can provide us with that will convince us that you are the type of person who will pay back the loan will be of benefit to your application. Please provide us with as much detail as possible. When in doubt, call us for help.

1. What paid work have you done (self-employment *and* working for others)? Briefly describe your responsibilities. **Or attach resume**

EMPLOYER AND RESPONSIBILITIES

START DATE/END DATE

2. What unpaid work have you done (e.g. childcare, volunteer work, coaching, etc.)? Briefly describe your responsibilities.

ACTIVITY

START DATE/END DATE

3. What kinds of education do you have (formal or other wise)? Examples include: high school grade completed, high school diploma received, college certificates or diplomas, university degrees, specialized courses or workshops, first-aid training, equipment operators certificate, apprenticeships, etc. Describe the skills you have learned from your education.

EDUCATION/QUALIFICATIONS

DATE COMPLETED

-
-
-
4. Describe your credit history? Many people have money troubles at one time or another. Just because you have a poor credit rating does not mean that you will not be eligible for a Micro Loan. However, we do need to understand WHY you have a poor or no credit rating (if applicable).

Note: You can call Equifax at 1-800-465-7166 to find out what your credit rating is. It is free and confidential.

5. What debts do you have (e.g. personal loans, credit card debt, mortgages, taxes, bank loans, student loans, consolidation loans, etc.)? Be specific. Be sure to include ALL current debts.

DEBT DESCRIPTION

AMOUNT (\$)

Application Checklist

- I have completed and submitted all 4 parts of the application package including:
 - Business Description (page 4)
 - Loan Summary (page 9)
 - Personal Information (page 12)
 - Micro Loan Application Cover Sheet (page 16)
- I have submitted up to 3 years of financial statements (if applicable).
- I have kept a copy of this application package for my own records.

Statement of Agreement

By signing below, I agree that:

1. Community Futures Boundary may contact any person, business or credit agency required to assist with making a decision regarding my application.
2. All of the information contained within this application is true to the best of my knowledge.
3. I will provide any and all new or different information regarding this application as soon as it becomes available.
4. If approved, I will only use the loan amount in the ways described in this application, unless I receive approval from Community Futures Boundary to use the loan monies in other ways.
5. If approved, I will pay the administrative costs associated with processing my loan approval (this amount may be added to your loan at your request).

Applicant's Signature:

Date:

Co-Applicant's Signature:

Date:

