

Program Guidelines

The Virginia Small Business Financing Authority's (VSBFA) *Microloan Program* is designed to assist Virginia's existing small businesses. Short-term loans are provided to help established businesses create jobs, retain existing "at risk" jobs and promote investment and long-term economic development in Virginia.

Eligible Borrowers:

- Businesses currently operating in Virginia;
- In good standing with the State Corporation Commission;
- Businesses in continuous operation for at least two (2) years.

Businesses must also meet at least one of the following criteria to be an eligible borrower:

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

Eligible Loan Purposes:

- Financing accounts receivable & inventory, contract financing, permanent working capital, leasehold improvements
- The purchase and installation of furniture, fixtures, equipment, or technology infrastructure

Ineligible Loan Purposes: Loan funds may not be used to:

- Refinance or restructure existing debt
- Finance construction
- Finance non-owner occupied real estate investment

Program Loan Amounts and Terms:

- Loan Amount: For loan amounts in excess of \$10,000 and up to \$50,000 Applicant **must** receive technical assistance from the Virginia Small Business Development Center (SBDC) network or other acceptable counseling agency. The SBDC or counseling agency must complete a referral form in support of the request.
- Maximum term is 48 months
- Monthly payments must be made by automatic withdrawal from the Borrower's checking account
- Interest rates are fixed at the time of the loan. The interest rate is tied to the *Wall Street Journal* Prime rate with spread based on the credit risk as determined by VSBFA. The rate will not exceed the Prime rate plus 2%

Personal Guarantees: The program requires all individuals and business entities owning 20% or more of the applicant business (including a spouse owning 5% or more when the combined ownership of both spouses is 20% or more) to provide a personal guaranty of the loan.

Program Fees: No application fee.

Application Help

Below are descriptions to help you complete the *Microloan Program Application*. If you have additional questions or need information, please contact the VSBFA at 804-371-8254 or email us at VSBFA@sbsd.virginia.gov. Additional information about this program and the other services offered by the Department of Small Business and Supplier Diversity can be found at www.sbsd.virginia.gov.

Business Legal Type: Provide the legal business structure of the business as registered with the State Corporation Commission (SCC). Examples are sole proprietorship, partnerships, LLC, LLP, C Corp, S Corp, Non Profit Corp. etc. State Corporation Commission can be found at scc.virginia.gov.

Annual Revenue: Supply the last full year's revenue figure.

NAICS: The applicant's North American Industry Classification System code can be determined at <https://www.census.gov/cgi-bin/sssd/naics/naicsrch>.

Business Owners: List all owners, officers, directors, and general partners of business and stockholders or limited partners owning 20% or more of business. Include any spouses owning 5% or more when the combined ownership of both spouses is 20% or more.

Loan Purpose and Collateral: Describe specifically how the loan funds will be used. The uses must meet program guidelines above. Collateral can be a lien on business or personal assets.

Projected Job Creation: If loan will create or save *full-time* jobs enter data based on your best evaluation. This is not a requirement of the program.

Government Monitoring Data: This data is used to determine the usage of VSBFA programs within the small business community. You are not required to provide this information, but are encouraged to do so. VSBFA does not discriminate on the basis of this information and this information will have no bearing on VSBFA's credit decision for this application. If you do not wish to provide the information a selection is provided.

Woman-Owned, Minority-Owned, or Veteran-Owned Business: Select yes if at least 51% of business is owned by one or more applicable categories.

Where and How to Submit an Application:

Email: VSBFA@sbsd.virginia.gov

USPS Mail: P.O. Box 446, Richmond, VA 23218-0446

Express Mail or Hand delivery: 101 North 14th Street, 11th Floor Richmond, VA 23219

Application Process: What to Expect from the VSBFA

Completed applications will be reviewed and the Applicant will be contacted if additional information is required. Initial review of the application will generally be made within a few business days. Applicants will be notified of VSBFA's credit decision and if approved, the Applicant will be informed of the next steps in the process.

Freedom of Information Act

Unless prohibited by law and to the extent required under the Freedom of Information Act (FOIA), contents of the application and other information submitted by the Applicant may be released in response to a FOIA request. Applicant should be aware that EDA may make certain application and other submitted information publicly available. Accordingly, as set forth in 15 CFR § 4.9, Applicant should identify any "business information" it believes to be protected from disclosure pursuant to 5 U.S.C. § 552(b) (4).

Checklist of Items to provide with this Application:

- Completed and signed copy of this Microloan Application;
- Certificate of Good Standing, Certificate of Fact, Certificate of Fictitious Name or equivalent from the SCC;
- Copy of valid driver's license for each guarantor and/or sole proprietor;
- Most recent interim financial statement;
- Most recent 2 years business tax returns or business financial statements of the Applicant;
- Most recent 2 years personal tax returns; current personal financial statements on all guarantors;
- Loans in excess of \$10,000 and up to \$50,000 must have a completed and executed Counseling Referral Form with Virginia Small Business Development Center Network <https://www.virginiasbdc.org>

Applicant: _____ **EIN:** _____

Address: _____ **Phone:** _____

Address: _____ **Alternate/Cell Phone:** _____

City: _____ **State:** _____ **Zip:** _____ **County:** _____

Contact Name: _____ **Email:** _____

Business Website: _____ **Fax:** _____

Business Legal Type: _____ **NAICS:** _____ **Date Business Established:** ___/___/___

Annual Revenue: _____ **Tell us about your Business:** _____

Business Owners:

Name	SSN	Address	Office Held/Title	% of Ownership

Loan Amount Requested: \$ _____ **Collateral:** _____

Loan Purpose: _____

Guarantor Name: _____ **Guarantor Name:** _____

Address: _____ **Address:** _____

City: _____ **State:** _____ **Zip:** _____ **City:** _____ **State:** _____ **Zip:** _____

SSN/EIN: _____ **SSN/EIN:** _____

Email: _____ **Email:** _____

Phone: _____ **Phone:** _____

Detailed Summary of Existing Business Debts:

Creditor	Original Amount	Current Balance	Loan Date	Maturity Date	Payment M, Q, A	Payment Amount	Current: Y or N	Collateral

Certification as a Small Business:

1. Yes No Does the business have 250 or less employees?
2. Yes No Does the business have less than \$10,000,000 in annual gross revenues over each of the last three fiscal years?
3. Yes No Does the business have less than \$2,000,000 in net worth?
4. Yes No Is the business currently operating in Virginia?

Background Data: Answer the following questions and provide comments on questions answered "yes"

1. Yes No Have any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business ever been convicted of any criminal offense, other than minor motor vehicle violations?
2. Yes No Has the business or any owners, officers, directors, guarantors, general partners, stockholders of limited partners owning 20% or more of the business file or been adjudicated as bankrupt?
3. Yes No 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?
4. Yes No Does the business or any guarantors owe past due federal, state, or local taxes of any nature?
5. Yes No Is the Applicant, if a sole proprietorship, and all guarantors U.S. citizens or legal permanent residents?

Comments: _____

Yes No **Are you a current or past VSBFA Customer?**

How did you learn about the VSBFA or this Loan Program? SBSD Website Bank Referral Economic Development Staff
 Marketing Event Other _____

Current Employment and Projected Job Creation and/or Retention:

_____ Number of Full-Time Existing Jobs Located in Virginia
 _____ Number of Full-Time Existing Jobs Located Outside of Virginia
 _____ Number of Full-Time Existing Jobs Saved as a result of this Financing
 _____ Number of Full-Time Equivalent Jobs Created as a result of this Financing
 \$ _____ Average Hourly Wage Rate

Provide a brief summary of how loan proceeds will save or create new jobs: _____

Government Monitoring Data: I do not wish to provide this information

Sex: Female Male **Ethnicity:** Hispanic or Latino Not Hispanic or Latino

Woman-Owned Business: Yes No **Minority-Owned Business:** Yes No **Veteran-Owned Business:** Yes No

Race: American Indian or Alaska Native Asian White Black or African American Native Hawaiian or Other Pacific Islander

Authorization and Certification:

Applicants and Guarantors authorize the VSBFA to investigate all credit history, obtain credit reports, bank references, and any other information required to process this application and as it deems necessary. The undersigned hereby certifies that all information provided in support of this application is true to his/her best knowledge, and is submitted for the purpose of obtaining financial assistance from the VSBFA.

Because the VSBFA is a political subdivision of the Commonwealth of Virginia all information submitted with this application may be subject to a Freedom of Information Act request.

Applicant: _____ **Date:** _____

By: _____ **Title:** _____

Guarantor: _____ **Date:** _____

Guarantor: _____ **Date:** _____

Counseling Referral Form

For loan amounts in excess of \$10,000 and up to \$50,000 Applicant **must** receive technical assistance from the Virginia Small Business Development Center (SBDC) network www.virginiasbdc.org or other acceptable counseling agency. The SBDC or counseling agency must complete a referral form in support of the request. Applicant is to complete Section 1 and counseling agency will complete Section 2. Return complete form along with loan application.

Section 1 – Applicant

Applicant: _____

Business Name: _____

Counseling agency used: _____

List courses and training completed. List business documents reviewed by counselor:

- Business Plan/Business Proposal
- Financial Request
- Financial Projections
- Other: _____
- Other: _____
- Other: _____

By signing below I request the counseling agency named above to certify completion of my coursework and training and review of the business documents completed.

Applicant Signature: _____

Date: _____

Section 2 – Counseling Agency

By signing below I certified that the above applicant has completed the necessary courses, training, and completed the designation business documents.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Email: _____

Telephone: _____

Comments: _____
