

## George W. Lester II Micro-loan Program Guidelines

The purpose of the George W. Lester II micro-loan program is to encourage small business development among Martinsville-Henry County, Virginia to those that cannot initially access funds through traditional lenders. Applicants must be located within Martinsville-Henry County. An applicant's credit worthiness, cash available, cash flow and collateral are the criteria considered for loan approval, and/or other documents as requested. Loan decisions will be made by the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (C-PEG) loan committee.

### **Eligibility/Requirements:**

Selection guidelines are as follows:

- Prepared loan application
- Business Plan
- Eighteen month financial projections
- Current financial statement
- Credit report (the loan applicant will be responsible for any applicable credit reports or filings)
- Three business references

### **Loan Terms:**

The following terms will apply to all funds distributed from this loan program:

- Loans will be made for \$500-\$5,000. Exceptions up to \$20,000 may be considered on an individual basis. Multiple loans may be considered on an individual basis not to exceed \$20,000.
- The interest rate will be the Wall Street Journal prime rate quoted at the time of the loan minus 1%.
- The term of the loan should be no longer than 36 months, depending on the amount of the loan.
- The loan funds must be used for business use and cannot be used for repayment of prior debt.
- The loan funds may be used in conjunction with other loans but not as collateral for such loans.
- The loan funds must be used to promote a legitimate business and shall not be used in any generally defined "illegal" business or pyramid sales plan.
- The borrower will provide quarterly financial reports to C-PEG for review by the micro-loan committee.
- A default on one loan represents a default on all loans.
- A personal guarantor is required for all approved loans.



Reason for Leaving: \_\_\_\_\_

Supervisor's Name & Telephone: \_\_\_\_\_

**Bank Information:**

**(Provide copies of your most recent 3 banks statements with your application)**

Bank Name: \_\_\_\_\_ Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

Checking: Account Number: \_\_\_\_\_ Current Balance: \$ \_\_\_\_\_

Savings: Account Number: \_\_\_\_\_ Current Balance: \$ \_\_\_\_\_

**Loan Request Information:**

Loan Amount Requested: \$ \_\_\_\_\_ Term Requested (Circle One): 1 Year/ 2 Years/ 3 Years

Purpose: \_\_\_\_\_

How much money will you provided from your own funds? \$ \_\_\_\_\_

Have you tried to get a bank loan and been turned down? Yes  No

**PERMISSION TO OBTAIN YOUR CONSUMER CREDIT REPORT**

I hereby give C-PEG the right to obtain a consumer credit report regarding me for this application and the life loan should my application be approved. I also release from all liability all persons, companies, and corporations supplying such information. I indemnify C-PEG against any liability which might result from making such an investigation.

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

(Last) (First) (Middle Initial)

\_\_\_\_\_

(Date of Birth)

(Signature)

(Date)

**Information about Business:**

**(A business plan including expected monthly revenues and expenses for 1 year will be requested later)**

Business Name: \_\_\_\_\_

Address: \_\_\_\_\_ County: \_\_\_\_\_

Is this a new business? Yes  No  Date Started: \_\_\_\_\_ Or, an existing business? Yes  No

Date Started \_\_\_\_\_

Organization Type: Sole Proprietorship \_\_\_\_\_ Partnership \_\_\_\_\_ LLC \_\_\_\_\_ S Corp. \_\_\_\_\_ C Corp. \_\_\_\_\_

Your Products/Services: \_\_\_\_\_  
\_\_\_\_\_

Your Experience in producing them and in managing a business: \_\_\_\_\_  
\_\_\_\_\_

Your Target Market (Who, Where): \_\_\_\_\_  
\_\_\_\_\_

Name and Location (distance from you) of your competitors: \_\_\_\_\_  
\_\_\_\_\_

How you will attract customers from your competition: \_\_\_\_\_  
\_\_\_\_\_

Number of employees, including yourself, that you will hire who will be full time \_\_\_\_\_, part-time \_\_\_\_\_?

**References:**

Name:	Relationship:	Address:	Telephone:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Certification Statement:**

I certify that the information above is correct to the best of my knowledge. I authorize C-PEG to make inquires as necessary to verify the accuracy of the statements made by me and to determine my creditworthiness. I have read and understand the fees outlines above. I agree to indemnify and hold harmless C-PEG , its officers, directors, employees, agents, and volunteers from any and all claims, loss or other liability arising from or related to the services that C-PEG provide before, during, and after the loan review process. I agree to pay the required sums and agree to be bound by the loan agreement, if my application is accepted.

\_\_\_\_\_

Applicant Signature

\_\_\_\_\_

Date

**Loan Closing Cost:**

<b>Loan Amount</b>	<b>Closing Cost</b>
\$500-\$2,000	\$25
\$2,001- \$3,000	\$50
\$3,001- \$5,000	\$100
\$5,001-\$10,000	\$150
\$10,001-\$15,000	\$200
\$15,0001-\$20,000	\$250
\$20,001-\$25,000	\$300
\$25,001-\$30,000	\$350
\$30,001-\$35,000	\$450

**Return to:** C-PEG, P. O. Box 709, Martinsville, VA 24115 or [amanda@mhcchamber.com](mailto:amanda@mhcchamber.com)

**Questions:** Call Amanda Witt, 276.632.6401

**For C-PEG Internal Use:**

Date Application Received: \_\_\_\_\_ Received by: \_\_\_\_\_