



## Loan Program Parameters

<p><b>Average Loan Size</b></p> <ul style="list-style-type: none"> <li>• \$500 - \$100,000</li> </ul> <p><b>Use of Loan Proceeds</b></p> <ul style="list-style-type: none"> <li>• Purchase of business equipment, such as machinery, fixtures, or furniture</li> <li>• Purchase of business supplies, materials, or inventory</li> <li>• Removable or permanent leasehold improvements</li> <li>• Construction</li> <li>• Working capital</li> </ul> <p><b>Loan funds may <u>not</u> be used for</b></p> <ul style="list-style-type: none"> <li>• Personal salary or owner's draw</li> <li>• Down payment on real estate</li> <li>• Real estate purchases</li> <li>• Payroll taxes</li> </ul> <p><b>Terms</b></p> <ul style="list-style-type: none"> <li>• Interest rates are determined by loan size</li> <li>• 12 to 72 month loan repayment terms</li> <li>• No pre-payment penalty</li> <li>• Monthly financial statements and copies of annual income tax filings must be provided for the term of the loan</li> <li>• Active participation in post-loan technical assistance plan</li> </ul> <p><b>Fees</b></p> <ul style="list-style-type: none"> <li>• 2% loan origination fee</li> <li>• \$75 application fee</li> <li>• Lien filing fees</li> </ul> <p><b>Collateral</b></p> <ul style="list-style-type: none"> <li>• Collateral and/or qualified co-signer is required</li> <li>• A detailed list including any current liens must be provided</li> <li>• Business or personal assets may be used as collateral</li> <li>• Assets purchased with loan may be used as collateral</li> </ul>	<p><b>Who Qualifies</b></p> <ul style="list-style-type: none"> <li>• Most small or startup businesses located in: Kent, Ottawa, Muskegon, Newaygo, Montcalm, Barry, Ionia, Allegan, and Kalamazoo counties</li> <li>• Women, minorities, low income individuals, veterans, and people with disabilities are a priority of this program</li> </ul> <p><b>Business that do <u>not</u> Qualify</b></p> <ul style="list-style-type: none"> <li>• Non-profits, except daycare centers</li> <li>• Consumer and marketing co-ops</li> <li>• Academic Institutions</li> <li>• Gambling concerns</li> <li>• Floor planning concerns (wholesale auto inventory financing, etc)</li> <li>• Speculative concerns (real estate and commodities, etc)</li> <li>• Lending and investment institutions</li> <li>• Multilevel marketing or pyramid sales</li> </ul> <p><b>Applicants that are <u>not</u> Eligible</b></p> <ul style="list-style-type: none"> <li>• Past due on federally guaranteed school loans or any financial obligations</li> <li>• Past due on child support payments</li> <li>• Notified in writing by the federal government that he/she is not eligible for federal loan programs</li> </ul> <p><b>Credit History</b></p> <ul style="list-style-type: none"> <li>• Full information required</li> <li>• Explainable circumstances are taken into consideration</li> </ul>
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## **Loan Program Disclosures**

- You will first need to inquire with another institution, such as a bank or credit union, before beginning the GROW loan application process. If you are able to use traditional financing, GROW cannot offer you a loan.
- The loan is just half of our loan program. We want to make sure that you have the support you need to be successful, so GROW will work closely with you throughout the life of the loan to provide technical assistance and connect you with other resources that will benefit you as a business owner. To start this process, you will **need to attend our free Intro to GROW class before we close on a loan**. Please visit our website at [www.growbusiness.org](http://www.growbusiness.org) to schedule a class session.
- With all of our loans we file a blanket lien on all business assets. It is one of the most flexible options, but that will prompt us to ask about business assets, values, etc.
- It is our belief and observation that the interests of the small business owner closely align with the business and it is common for business assets to transfer to personal use and back again. To compensate for this practice, the required documentation we use references both business and personal assets.
- We partner with other non-profits in the community and cannot always guarantee accurate information from our partners. We want to apologize in advance if another organization has made claims that do not align with our program's parameters. If that should happen, we promise to be very open and try to do everything within our power to resolve the issue.
- One of the requirements of the loan will be to have the monthly payment automatically deducted from your business account. We do this so you can focus your energies on the other aspects of your business that you are developing
- All loans require a personal guarantee. This is incorporated into the documents, but we also want to be very upfront with the fact that even though this is a business loan, it is structured to have the owner share the risk with the business.

## **Required Application Documents**

### **Phase 1**

The initial inquiry consists of the following loan readiness steps:

- Intro to GROW / Form 641 completion
  
- Intake session with Business Development Officer. Info you will need to bring with you to the session:
  - Outcome of your inquiry to apply for financing from a bank or credit union
  
  - Description of present/pending lawsuit(s), bankruptcy, tax liens, or serious credit issues
  
  - Employee ID Number (if applicable)
  
  - Date of Business Incorporation (if applicable)
  
  - Business Plan (if you have one – if not we will assist you to develop)
  
- 2 years of business financial projections (we provide you with a template and assistance to develop)

### **Phase 2**

Pending successful loan readiness, loan candidates will be asked to complete and/or provide:

- Loan application (sent to you after you've met Phase 1 requirements)
  
- \$75 non-refundable application fee
  
- Copy of ID (and Permanent Resident Card if applicable)
  
- Copy of entity paperwork

- Authorization to pull credit report
- Last 2 years personal tax returns of applicant(s)
- Last 3 months personal bank statements (most recent)
- Last 3 months paycheck stubs
- Certificate of Insurance (current copy or quote)

**IF APPLICABLE**, the following will also be required at this stage:

- Copy of lease, deed or property title
- Last 2 years of business tax returns
- Last 3 months of business bank statements (most recent)
- Last two years Profit & Loss, Balance Sheet, and Statement of Cash Flow
- Most recent interim P & L, A/R and A/P aging reports, and Statement of Cash Flow
- Operating agreement or partnership agreement
- Industry related permits, licenses, etc.
- Purchase agreement(s) or letters of intent relevant to the loan request
- Franchise agreement

- Site visit, as necessary

### **Phase 3**

The final approval process will include:

- Collect invoices of items purchased with funds
- Revisit time sensitive material (if necessary)
- 2% loan origination fee
- Certificate of Insurance with GROW as Loan Loss Payee
- ACH Agreement

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