

## PURPOSE

The purpose of Advanced CapAccess, Inc.'s (ACA) Micro Loan Fund Program is to promote new business start-up, expansion, and/or retention projects in qualified low income census tracts. In fulfilling its purpose, the organization seeks to foster capital investment, as well as, job creation and retention in the qualified tracts.

## ADMINISTRATION

ACA programs are administered on a national level with the assistance of ACA's Advisory Board. As such, the Advisory Board reviews loan applications for community impact and makes a recommendation as to the ACA's participation in a project. ACA's staff is responsible for loan processing and servicing (e.g. application processing, credit review, loan closing and loan servicing).

## SERVICE AREA



The Micro Loan Fund service area includes qualified low income census tracts in all fifty States.

## ELIGIBLE BUSINESSES

To be eligible for the ACA Micro Loan Fund, a business must be located in a qualified low income census tract and meet the generally accepted definition of a small business: for-profit, independently owned and operated and meet certain employment and/or sales size standards. Micro Loan Fund Program projects are reviewed on a competitive basis with emphasis on those projects with the highest potential community impact and benefit.

## USE OF FUNDS

### Eligible Use of Funds

- Acquisition of real estate (to include land, building, etc.)
- Building construction or improvement
- Purchase of machinery or equipment
- Working capital

### Ineligible Use of Funds

- If credit is otherwise available on reasonable terms and conditions
- If the loan is to solely pay off a loan to another creditor to reduce its risk
- A loan for agricultural or speculative purposes
- A loan to an enterprise primarily engaged in lending or investing activities or whose principal income is derived from gambling activities

## COLLATERAL

Micro Loan Fund loans must be adequately collateralized to assure repayment of the loan. Personal guaranty(s) generally apply.

Collateral for a loan may consist of a security interest or lien on one or more of the following:

- Accounts Receivable
- Inventory
- Machinery and Equipment
- General Intangibles
- Commercial Real Estate
- Fixtures on Real Estate
- Chattel paper

Additional collateral may be required if the project assets are not sufficient in relationship to the total project cost(s).

## APPLICATION PROCESS

### Develop a Business Plan

To include (as applicable):

- Summary of a sound business project
- Organizational structure/management
- Marketing plan
- Schedule of project cost(s)
- Proforma financial statements (i.e. Balance Sheets, Income Statements, and Cash Flow Statements)
- Historical financial statements, to include tax returns (3 most recent years) and interim financial statements.

### Local Review

Applications are initially reviewed by a local economic development organization for project eligibility and identification of a financial gap. If applicable, the application and local recommendation is forwarded to ACA for final consideration.

## PROJECT REVIEW

Micro Loan Fund Program applications are reviewed on a competitive basis with consideration given to the following items:

- Type of business
- Job leverage (loan request divided by number of jobs created/retained)
- Capital Investment
- Census tract, economic impact and benefits
- Business Plan
- Requested loan term and conditions
- Applicant's financials, to include credit reports, collateral and cash flow analysis
- Applicant's participation

## APPLICATION

If your business and/or project is eligible, and a financial gap is identified, Please contact us at:

**Advanced CapAccess, Inc.**  
**1005 Peoples Square, Suite B**  
**Waterloo, Iowa 50702**  
**Phone: (319) 883-3010**

**Email: [Contact@AdvancedCapAccess.org](mailto:Contact@AdvancedCapAccess.org)**  
**Download and print Application from:**  
**[www.AdvancedCapAccess.org](http://www.AdvancedCapAccess.org)**

## GENERAL REQUIREMENTS

A loan applicant must:

- Be of good character and/or good standing
- Demonstrate ability to operate the business successfully
- Possess adequate capital to operate the business on a successful basis
- Demonstrate sufficient past and/or future earnings to repay the loan
- Provide adequate business collateral to assure loan repayment

## BUSINESS ASSISTANCE TYPES

The Micro Loan Fund Program is a “gap financing” program which emphasizes maximum community impacts and benefits.

The Micro Loan Fund Program offers two types of business assistance:

**Direct loans** are often times made concurrent with a participating loan from the commercial lender or economic development organization. The Micro Loan Fund loan typically does not exceed the total project cost or \$30,000, whichever is less. Loans for fixed assets typically do not exceed five years while working capital loans are typically for three to five years. Interest rates are typically at 5 to 6% interest and may vary based upon the application, financial need of the applicant and community impacts and benefits. The Borrower is responsible for the loan processing, servicing and closing cost.

**Loan guarantees** are used to facilitate a direct loan between a small business and a commercial lender. The amount of the guaranty or guaranteed portion of the loan and term of the guaranty is based upon the merits of the application and financial need of the applicant. The Borrower is responsible for an annual guaranty fee of one to two percent on the guaranteed portion of the loan and associated loan costs.



Micro Loan Fund



# MICRO LOAN FUND PROGRAM

*This brochure is for informational purposes only. Other terms and conditions may apply. The assistance programs offered by Advanced CapAccess, Inc. are provided on a nondiscriminatory and equal opportunity basis*

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