

## 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 assist with business expansion, job creation and job retention in Virginia.

### Eligible Borrowers:

- Currently operating a business within the state of Virginia
- In good standing with the State Corporation Commission;

### 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:

- Finance construction
- Finance non-owner occupied real estate investment

### Program Loan Amounts and Terms:

- Loan Amount: Up to \$150,000.
- Term: 5 years (Unsecured) ; 7 years (Secured)
- Monthly payments must be made by automatic withdrawal from the Borrower's checking account
- Fixed Interest rates 5.5% and fixed 3% for Veteran's

**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 804-786-1049 or email us at [VSBFA@sbsd.virginia.gov](mailto: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](http://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](http://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 retain *full-time* jobs enter data based on your best evaluation. This is not a requirement of the program. (This should not include 1099 Contract Employees, Seasonal Employees or Part-Time Employees.)

**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.

**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:

It is recommended to speak with a Regional Lending Manager (RLM) prior to applying to ensure that all documentation can be submit securely.

**Email:** Please reach out to your RLM for a secured email or request a RLM reach out to you via [VSBFA@sbsd.virginia.gov](mailto: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. 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 from the SCC
- Copy of valid driver's license for each guarantor and/or sole proprietor
- Business Plan with the owner's bio and financial projections
- Operating Agreement
- Articles of Organization
- Most recent balance sheet, cash flow statement and profit & loss statement for the current year
- Most recent 2 years business tax returns or business financial statements. Form 990 for nonprofit organizations
- Most recent 2 years personal tax returns
- Personal financial statements on all guarantors

**Legal Business Name:** \_\_\_\_\_ **EIN:** \_\_\_\_\_

**Physical Address:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Mail 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:** \_\_\_\_\_

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

**Loan Purpose:** \_\_\_\_\_

**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

**Guarantor Name:** \_\_\_\_\_ **Guarantor Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**SSN/EIN:** \_\_\_\_\_ **SSN/EIN:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**Phone:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Business Owners:**

Name	SSN	Address	Office Held/Title	% of Ownership

**Certification as a Small Business:**

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

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

- 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?
- Yes  No Has the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business file or been adjudicated as bankrupt?
- 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?
- Yes  No Does the business or any guarantors owe past due federal, state, or local taxes of any nature?
- 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?**
- Yes  No If yes, do you have an outstanding loan? Please provide approximate loan balance: \$ \_\_\_\_\_

**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

**Please provide the following information for the principal business owner:**

- Sex:**  Female  Male
- Gender** (how do you define yourself):  Female  Male  Non-Binary  Prefer not to respond  Prefer to self-describe: \_\_\_\_\_
- Ethnicity:**  Hispanic or Latino  Not Hispanic or Latino
- Race:**  American Indian or Alaska Native  Asian  Black or African American  Native Hawaiian or Other Pacific Islander  White
- Woman-Owned Business:**  Yes  No **Minority-Owned Business:**  Yes  No **Veteran-Owned Business:**  Yes  No

**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.

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

**Applicant:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**By:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Guarantor:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Guarantor:** \_\_\_\_\_ **Date:** \_\_\_\_\_