

**TOWN OF PLYMOUTH
OFFICE OF COMMUNITY DEVELOPMENT**

26 Court Street, Plymouth, MA 02360

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508-322-3321

**MICROENTERPRISE ASSISTANCE LOAN PROGRAM
For Town of Plymouth ONLY**

The Town of Plymouth Microenterprise Assistance Program (MAP) is funded by Community Development Block Grant Funds and is administered by the Plymouth Office of Community Development. All business sectors – including industry, retail, services, agriculture, and tourism are eligible for the program.

Our Lending Differs from Regular Bank Practices.

The Office of Community Development understands that small business owners need access to money but often cannot qualify for standard bank loans because they lack a business history, sufficient collateral or have limited credit. For us, lending is about creating jobs, helping people increase their income and strengthening our local economy. The Plymouth Office of Community Development encourages all kinds of entrepreneurs to look into our Microenterprise Assistance Loan Program – whether you are just starting out with a good idea or have an existing small business that needs help to continue to grow.

- **START-UP BUSINESSES** –These must be owned by low and moderate-income persons (earning up to \$91,200.00 for 1 person household annually), **or** will create jobs, the majority of which will be available to low or moderate-income persons.
- **EXISTING BUSINESSES** - Eligible businesses must have five or fewer employees or more if some are part-time, one of whom is the owner of the business. The business must either be owned by low or moderate-income persons **or** will create jobs, the majority of which will be available to low or moderate-income persons.

The Microenterprise Assistance Program will provide low-interest loans with flexible repayment terms in amounts up to \$50,000. The loans, which require a 10% equity contribution, can be used for acquisition, renovation, working capital, furniture, equipment, and any other justifiable need. All start-up businesses and existing businesses must be in the Town of Plymouth and will be required to submit a business plan when applying for a Microenterprise loan.

COUNSELING:

- Prior to loan approval, entrepreneurs are required to participate in appropriate business counseling through the local SCORE office located at 134 Court Street, Plymouth, MA. www.sema.score.org These free resources are intended to assist in the development of a

business plan, as well as strengthen marketing, management, and financial capabilities. If additional business counseling is required by the lender, either prior to loan approval or throughout the course of the loan, the business owner must agree to complete it.

AMOUNTS:

- Minimum loan of \$5,000.00
- For start-up businesses the maximum loan amount is \$35,000.00
- For existing or expanding businesses, the maximum loan amount is \$50,000.00.
- Participation loans with other lenders are considered on a case-by-case basis.

LOAN TERMS:

- Repayment terms vary based on use of funds and cash flow.
- Non-mortgage term loans will not exceed 60 months.
- 10% equity contribution by the borrower toward total project cost may be required.
- Fees vary, depending on size of loan, collateral, and other factors.
- Business must be in the Town of Plymouth.

RATE:

- 2.63% FIXED.
- Interest rates are subject to change without notice for loans not funded yet

COLLATERAL: all loans shall be secured by one, or more, of the following:

- Mortgage on the primary residence
- Business assets – equipment, vehicles, etc.
- Personal guarantee(s)
- Co-guarantor(s)
- Contract assignment
- Lien shall be junior to any previously recorded lien

FEES:

- Legal fee – varies according to size and purpose of loan, certain loans may be closed at the Plymouth Office of Community Development with no legal fee.
- Other fees – in addition to the above, borrower is responsible for all closing costs associated with a loan, including, but not limited to, filing, recording and title fees.

APPROVAL CRITERIA:

- Strength of Business Plan
- Business skills and experience of business owner
- Repayment ability
- Available collateral
- Equity participation; return on equity
- Acceptable financials and projections
- Reasonable costs and financial feasibility
- Acceptable risk

Microenterprise Loan Application Process

- Prospective borrower contacts the Office of Community Development (OCD)
- OCD Director informs prospective borrowers about types of loan products.
- If appropriate, prospective borrower contacts the local SCORE office and completes the loan application, including an approved business plan.
- Application is submitted to OCD. After initial review, additional information may be requested.
- OCD staff orders a credit report and begins underwriting the loan. Additional information may be requested.
- When the application is complete, it is presented for final review and approval.
- If approved, a commitment letter is issued. Borrower signs indicating acceptance of proposed loan terms and conditions.
- OCD coordinates the loan closing, which may be at OCD or its attorney's office.
- After loan is made, OCD services and monitors the loan

MICROENTERPRISE ASSISTANCE APPLICATION:

PART I: Applicant Information

Applicant: _____

Co-Applicant: _____

Mailing Address: _____

Home Number: _____ Cell Number: _____

Email: _____ Best Contact: Email Home Cell

NAME OF BUSINESS: _____

BUSINESS ADDRESS: _____

COMPANY WEBSITE (if established) _____

To be eligible for the Microenterprise Assistance Program, you must currently employ five (5) or fewer full-time employees. Please answer the following questions: How many employees do you currently have, including yourself? How many employees do you project you will have in three years?

Number of Employees

Current: Full-time _____ Part-time _____

Proposed: Full-time _____ Part-time _____

All **low to moderate income participants** must have household incomes at or below 80% of area median income [Targeted Income Group (TIG) as defined by HUD each year in order to participate. The current income limits are as follows:

Household Size	Max. Income
1	\$92,650
2	\$105,850
3	\$119,100
4	\$132,300
5	\$142,900
6	\$153,500
7	\$164,100
8	\$174,650

*Income Guidelines are subject to change without Notice

LOAN AMOUNT REQUESTED: \$ _____

BUISNESS IS: START UP_____ NEW_____

Loan Funds will be used for:

PROPOSED COLLATERAL FOR THIS LOAN:

Description:

Collateral	Market Value	Purchase Price	Balance
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Description of Proposed or Existing Business: Please provide a narrative of your proposed or existing business **or** attach business plan.

a) Why did you choose this particular business or why did you want to start a business?

b.) What experience, training or skills qualify you to operate this business?

c.) What is your business type? (Example: manufacturing, distributor, wholesaler, retailer, service, food, commercial)?

d.) Why do you want to participate in the Town of Plymouth's Microenterprise Assistance Program? What benefits do you expect to receive?

Race/Ethnicity: this information is confidential and is used only for government reporting purposes to monitor compliance with equal opportunity laws. Please note that this section is voluntary.

<input type="checkbox"/> White	<input type="checkbox"/> Native American or Alaskan AND white
<input type="checkbox"/> Black/African American	<input type="checkbox"/> Asian AND white
<input type="checkbox"/> Asian	<input type="checkbox"/> Black/African American AND white
<input type="checkbox"/> Native American or Alaskan	<input type="checkbox"/> Native American or Alaskan AND Black/African American
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Other: _____

HISPANIC/LATINO ETHNICITY: Yes No

If yes, answer below:

<input type="checkbox"/> Mexican/Chicano	<input type="checkbox"/> Cuban
<input type="checkbox"/> Puerto Rican	<input type="checkbox"/> Other: _____

Income Source Information

Please list ALL sources of household income, including wages, social security, self-employment, pension, disability, unemployment, alimony, etc.

Applicant: _____ Co-Applicant: _____ (Check one)

Income Source: _____

Amount: \$ _____
Monthly \$ _____
Annually

Applicant: _____ Co-Applicant: _____ (Check one)

Income Source: _____

Amount: \$ _____
Monthly \$ _____
Annually

Applicant's Certification/Authorization

I/We certify that all information in this application and all information in support of this application are true and complete to the best of my/our knowledge, and I/We have not failed to disclose any source of income.

I/We authorize the agency to verify all information furnished in connection with this application.

Signature _____ Date _____

Signature _____ Date _____

INCOME AND EXPENSE PROJECTIONS **Instructions**

This is a worksheet designed to help determine monthly projected business income and expenses for a twelve-month period. This will also help assess the feasibility of a project by determining if the projected income will cover the projected expenses, including owners draw and loan payments. This is just a worksheet. Please include a projected income/expense worksheet including the following information:

DEVELOPING YOUR BUSINESS PLAN

A Business Plan is your guide to your business. It organizes, on paper, your thoughts about: why you are in business, who are your customers and competitors, what your strengths and weaknesses are, and what your plans are for the future. Some businesses don't have a business plan, but those that do are in a better position to succeed. In preparing your business plan, keep in mind that you are putting it together for your business and you. This is your tool for planning as well as measuring your performance, so include as many hard facts in it as you can to help you measure goals and timelines.

A business plan is also your sales pitch to lenders or suppliers from which you wish to borrow money. It will tell them the complete story ABOUT your business as briefly as possible. Business plans show potential lenders and suppliers that you have thought about the basics of business in general, and about the specifics of your own business. It also shows them that you plan for the future.

The outline format provides the headings that you use. Your plan should be concise, factual, and easy to read. The finished product should have a separate paragraph or list for each aspect of your plan, with a heading that identifies the subject you are discussing. Subsequent pages examine each of the items in the outline more thoroughly and will provide you with step-by-step guidelines for developing your plan.

- Name of Firm
- Owner or Owner-to-be
- Information on the business
 - Type of Business and product/service
 - History
 - Offices/Plant
 - Personnel
 - Economic/Accounting
 - Inventory, Supplies, Suppliers, and Equipment
 - Legal Structure
 - Future Plans
- Market Analysis
 - Customers (Your Market)
 - Environment
 - Competition
 - Competitive Advantages and Disadvantages for your Business
 - Projections
- Market Strategy
 - Sales Strategy
 - Promotion Strategy
- Management
- Financial

**PLEASE SUBMIT APPLICABLE INCOME VERIFICATION AND OTHER
DOCUMENTATION AS LISTED BELOW**

- Complete personal tax returns for the two (2) most recent years, with W-2's attached, and signed
- Paycheck stubs for the last 6 months for each person employed in the household
- Award letters and most recent checks, if receiving Social Security benefits
- Retirement/pension/disability checks - Award letters or checks showing government assistance
- Bank statements on all asset accounts for past 3 months (checking/savings/CD's, etc.)
- Information on any other financial assets, such as CD's, IRA's, investments, etc.
- All startup Businesses must provide a Business Plan
- Partnership Agreement, if applicable
- Franchise Agreement, if applicable
- Copy of Business License
- Business tax returns for the three (3) most recent years if applicable
- Income and Expense projections

Hours:

Monday, Wednesday & Thursday 7:30 am - 4:00 pm
Tuesday 7:30 am – 6:30 pm
Friday 7:30 am – 12:00 NOON

Please submit completed application with copies of the required documentation letter to:

**Attn: Peggy Whalen
Town of Plymouth
Office of Community Development
26 Court Street, 3rd Floor
Plymouth, MA 02360**