

OFFICE OF COMMUNITY DEVELOPMENT

26 Court Street, Plymouth, MA 02360

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MICROENTERPRISE ASSISTANCE LOAN PROGRAM

The Town of Plymouth Microenterprise Assistance Program (MAP) is funded by Community Development Block Grant monies 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 can't 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 incomes 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 \$37,750 - \$56,800 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, 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 located in 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.scoresema.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 located in the Town of Plymouth.

RATE:

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

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

- Mortgage
- 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.

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

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**MICROENTERPRISE ASSISTANCE
 APPLICATION
 MICROENTERPRISE ASSISTANCE
 PROGRAM**

Part I – Applicant Information

Applicant's Name			
	Mr./Mrs	First Name	Last Name

Co-Applicant's Name			
	Mr./Mrs.	First Name	Last Name

Applicant's Mailing Address			
	Street / Apt. # / PO Box		
	City	State	ZIP

Phone / Email			
	Home Phone	Cell Phone	Best time to call

EMAIL: _____

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	Maximum Income
1	\$56,800
2	\$64,900
3	\$73,000
4	\$81,100
5	\$87,600
6	\$94,100
7	\$100,600
8	\$107,100

*Income Guidelines are subject to change without Notice

LOAN AMOUNT REQUESTED: \$ _____

BUSINESS IS: START UP _____ NEW _____

Loan Funds will be used for:

PROPOSED COLLATERAL FOR THIS LOAN:

Description:

Collateral	Market Value	Purchase Price	Balance
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>

Description of Proposed or Existing Business: Please provide a narrative of your proposed or existing business or attach business plan.

Please answer the following questions with a concise statement for each item and how it relates to your proposed or existing business.

- a) Why did you choose this particular business or why do 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?

**Town of Plymouth
Microenterprise Assistance Program**

Applicant Information

Full Name:	Accessibility – Do you require special accommodations for a disability? Yes_____ No_____	
Social Security Number:	Dependents: Number: _____ Ages: _____	
Home Phone:	Work Phone:	

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.

- White
- Black/African American
- Asian
- Native American or Alaskan
- Native Hawaiian or Other Pacific Islander
- Nat. Amer. or Alaskan AND white
- Asian AND white
- Black/Afr. Amer. AND white
- Nat. Amer. or Alaskan AND black/Afr.
- Other: _____

HISPANIC/LATINO ETHNICITY: Yes No

If yes, answer below:

- Mexican/Chicano
- Puerto Rican
- Cuban
- Other: _____

PERSONAL FINANCIAL STATEMENT

As of: _____, _____

Name: _____ Business Phone _____

Residence Address: _____

Residence Phone: _____

City, State, Zip: _____

Business Name _____

Complete this form for 1.) each proprietor, 2.) each limited partner who owns 20% or more interest, 3.) each stockholder owning 20% or more of voting stock, or 4.) any person or entity providing a guaranty of the loan.

ASSETS	LIABILITIES
Cash on hand & in banks \$ _____	Accounts Payable \$ _____
Savings Accounts \$ _____	Notes Payable to Banks & Others \$ _____
IRA or other retirement acct. \$ _____	(describe in Section 2)
Accounts & Notes Receivable \$ _____	Installment Account (Auto) \$ _____
Life Insurance- Cash Value \$ _____	Monthly Paymt. \$ _____
(complete Section 8)	Loan of Life Insurance \$ _____
Stocks & Bonds \$ _____	Mortgages on Real Estate \$ _____
(describe in Section 3)	(describe in Section 4)
Real Estate \$ _____	Unpaid Taxes \$ _____
(describe in Section 4)	(describe in Section 6)
Automobile, current value \$ _____	Other liabilities \$ _____
Other Personal Property \$ _____	(describe in Section 7)
(describe in Section 5)	Total:
Other Assets \$ _____	\$ _____
(describe in Section 5)	Net Worth: (Assets – Liabilities):
Total:	\$ _____
\$ _____	

Section 1. Source of Income	Contingent Liabilities
Salary: \$ _____	As Endorser or Co-maker \$ _____
Net Investment Income: \$ _____	Legal Claims & Judgments \$ _____
Real Estate Income: \$ _____	Provision for Fed'l Income Tax \$ _____
Other (describe below*) \$ _____	Other Special Debt \$ _____

Section 2. Description of Other Income in Section 1.

*Alimony & Child Support need not be disclosed in Other Income unless it is desired to have such payments counted toward total Income.

(Use attachments if necessary. Each attachment must be identified as a part of this statement, and signed.)					
Name & Address of Noteholder:	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	Collateral?

Section 3.					
Number of Shares	Names of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4: (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5: (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency.)

Section 6: Unpaid Taxes (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)		
Section 7: Other Liabilities (Describe in detail.)		
Section 8: Life Insurance Held (Give face amount and cash surrender value of policies – name of insurance company and beneficiaries.)		
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statement contained in the attachments are true and accurate as to the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).		
Signature:	Date:	Social Security #:
Signature:	Date:	Social Security #:
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administration Branch, U.S. Small Business Administration, Washington, D.C. 20503.		

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, so fill it out in pencil. You will be making a lot of changes to it.

- MONTHS:** Fill in the month you anticipate opening your business, or start with "Month #1".
- TOTAL SALES:** All income from the sale of products or services for the month.
- COST OF GOODS SOLD:** **Direct** cost of the products sold. (Example: for a restaurant, the cost of goods sold is the food; for a clothing store, the clothing; for the manufacturing of tables, the cost of the wood, metal, varnish.) Service businesses do not have a cost of goods sold.
- GROSS PROFIT:** Subtract the **Cost of Goods Sold** from the **Total Sales** to determine the **Gross Profit**.
- OPERATING EXPENSES:** Listed here are some examples of monthly expenses. You may have some additional or different expenses that are specific to your business, just write them in.
- TOTAL OPERATING EXPENSES:** Add up all Operating Expenses for the month.
- NET PROFIT:** Subtract the Total Operating Expenses **from gross**
- OWNER'S DRAW:** This is the money the business owner will draw from the business for personal living expenses. When there is another monthly source of income, owner's draw may not apply. If the business owner will be paying personal living expenses from the business sales, owners draw will need to be determined.

**AVAILABLE FOR LOAN
PAYMENT:**

Subtract **Owner's Draw** from **Net Profit**.

LOAN PAYMENT:

This is the monthly payment of principal and interest based on the amount of the loan needed. This amount can be obtained from the Financial Consultant.

MARGIN:

Subtract the **Loan Payment** from the **Available for Loan Payment**. This is the projected amount left after all expenses have been paid. If the **Loan Payment** amount is larger than the **Available for Loan Payment**, you are losing money at the end of the month.

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 time lines.

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.

- I. Name of firm
- II. Owner or Owner-to-be
- III. Information on the business
 - A. Type of business and product/service
 - B. History
 - C. Offices/Plant
 - D. Personnel
 - E. Economic/Accounting
 - F. Inventory, supplies, suppliers, and equipment
 - G. Legal Structure
 - H. Future Plans
- IV. Market Analysis
 - A. Customers (your market)
 - B. Environment
 - C. Competition
 - D. Competitive advantages and disadvantages for your business
 - F. Projections
- V. Market strategy
 - A. Sales strategy
 - B. Promotion strategy
- VI. Management
- VII. 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 any government assistance
- Bank statements on all asset accounts for past 6 months
(checking/savings/CD's, etc)
- Divorce decrees or most recent checks, if receiving alimony or child support payments
- Information on any other financial assets, such as CD's, IRA's, investments, etc.
- All startup Businesses must provide a Business Plan
Articles of Incorporation
- Partnership Agreement, if applicable
- Franchise Agreement, if applicable
- Copy of Business License
- Business tax returns for the three (3) most recent years
- Business Financial Statement no more than 90 days prior to application date
- Schedule of existing debt
- Income and Expense projections

PLEASE FORWARD THIS APPLICATION AND ALL ATTACHMENTS TO:

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