

CWVENTURE

A CHARLESTON MAIN STREETS SMALL BUSINESS MICROLOAN PROGRAM

ABOUT OUR LENDING PROGRAM

In an effort to provide more funding opportunities to existing district businesses and create more incentives for prospective businesses, Charleston Main Streets (CMS) has established the Small Business Microloan Program through funding made by possible by the West Virginia Development Office and several local financial institutions. Under this Lending Program, CMS provides small startup or expansion loans that range from \$500 to \$5,000 for qualified businesses. These loans can be used for projects including, but not limited to, working capital, real estate for the use of small business, capital improvements, machinery and equipment.

The CMS Economic Development Committee manages and accepts applications for the program. The CMS Microloan Review Panel, consisting of members of the committee reviews all applications and associated financials. The micro loan review panel consists of the committee chair, at least two committee members, and the CMS Executive Director. The panel may ask for additional information or clarification from the applicant if necessary. The panel will establish the terms of the loan, including the amount, interest rate, length, and the dollar amount of such repayments.

The Board of Directors will approve the final loan agreement. Applications are due by the first Monday of each month and are reviewed for approval or denial by the third Friday of each month. Businesses that receive microloans through CMS will be required to participate in an annual review with the Executive Director.

MICRO LOAN STRUCTURE

Loan terms range from one to three years. There are options to defer principal payments, amortize over longer periods, or establish seasonal schedules as needed. Rates will be no greater than the Prime Lending Rate at time of application, but no less than 1%. Rates will be addressed at time of loan approval.

The loan will be amortized for the total length of time. All loan payments will be due on the first of every month. There is no prepayment penalty. New businesses/startups will have a limitation on the amount they can borrow. Loan terms are up to three years and will be structured as follows:

Maximum term:

\$500 - \$1,000	1 year (12 months)
\$1,001 - \$2,500	2 years (24 months)
\$2,501 - \$5,000	3 years (36 months)

The CMS Microloan works as a draw-down loan. Borrowers will request funds by communicating with the CMS office. Funds will then be made available within 3-5 business days (when applicable) through a check which can be picked up in person from the CMS office.



ELIGIBILITY CRITERIA

Businesses must meet several criteria in order to qualify for the Micro Loan program. CMS is willing to offer counseling and guidance relevant to this Micro Loan program. Please read through these criteria carefully before completing a loan application.

Type of Business

Existing and startup manufacturing, retail, wholesale and service businesses at the time of application and generally meeting the definition of small businesses.

Location of Business

The program provides assistance to businesses located within the designated Charleston business districts as outlined by CMS.

Job Creation

The business has to demonstrate the potential for job creation or job retention; both full-time and part-time jobs are acceptable. While the creation of jobs isn't required to receive a loan, the ability to show how these funds will help leverage business growth and job creation is preferred.

Management Capacity

The business has to demonstrate management capacity. New businesses must complete a Small Business Development Center review and may also be asked to participate in a peer to peer review as directed by the Economic Development Committee.

Use of Funds

Micro lending funds from CMS can be used to finance, in general, any customary capital or operating needs of the business with the exception of:

- Payment of delinquent taxes
- Equity for CURA/CMS Facade & Sign Grants
- Product development costs
- Debt refinancing
- Payroll

LOAN APPLICATION PROCESS

In order to process your business loan application in a timely manner, the following documents are required to submit a completed loan package:

- A complete loan application
- A completed personal financial statement
- Personal or business tax returns for the last two years (three years if a sole proprietorship)
- A summary of your previous business experience
- Certificate of good standing & Articles of Incorporation from the West Virginia Secretary of State office
- Business plan, including:
 - A marketing plan
 - A brief writing history of your business (especially if existing)
 - A description of your products or services
 - A description of the key risks or challenges in your business and how you manage against them
 - A description of the two main strengths of your business

LOAN APPROVAL

Decisions on loans will be made on the basis of the following:

- Ability to create/retain jobs
- Need for a loan
- The character and management ability of the principals
- Cash flow available to repay the loan
- Collateral for the loan, when applicable

LOAN REQUEST

Name of Business/Company: _____

Contact Person: _____

Phone Number: _____ Email: _____

Amount Requesting: _____

What will the requested funds be used for?

What will be your process for paying the requested funds back?

What is your timeline for completion of project and completion of loan payments?

Applicant

Applicant Partner/Representative

Chair, CMS Economic Development Committee

CMS Executive Director

At least 80% of ownership of the business is required to sign the loan application. CMS reserves the right to access a credit report of the applicant. The credit report will be added to the loan package for review by the microloan review panel.

Business Information			
NAME:		PHONE NUMBER:	
HOME ADDRESS:		CITY:	ZIP CODE:
BUSINESS NAME:		BUSINESS PHONE:	
BUSINESS ADDRESS:		CITY:	ZIP CODE:
PROPRIETORSHIP:	PARTNERSHIP:	SUB-CHAPTER S:	CORPORATION:
NON-PROFIT:	INDIVIDUAL:	LLC:	
OWNERSHIP DISTRIBUTION: (List stockholders, partners, owner names, etc.)		Note: Attach a separate sheet if additional space is needed.	
NAME:	TITLE:	%:	
NAME:	TITLE:	%:	
NAME:	TITLE:	%:	
NATURE OF BUSINESS:	YEAR ESTABLISHED:	NUMBER OF EMPLOYEES:	
	YEARS IN INDUSTRY/FIELD:		
YEARS AT PRESENT LOCATION:	OWN:	LEASE:	
ACCOUNTANT:		PHONE #:	
INSURANCE AGENT:		PHONE #:	
ATTORNEY:		PHONE #:	



Please submit application and all required paperwork to the Charleston Main Streets office via mail or email:

Charleston Main Streets
 428-A Shrewsbury Street
 Charleston, WV 25301

CWventure@CharlestonMainStreets.org

PERSONAL GUARANTEE

Guarantor	
Borrower	
Lender	
Date	
Note Amount	

GUARANTEE:

Guarantor unconditionally guarantees payment to Lender of all amounts owing under the Note. This Guarantee remains in effect until the Note is paid in full. Guarantor must pay all amounts dues under the Note when the Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from Guarantor.

Name of Guarantor

Additional Guarantor

Additional Guarantor

Additional Guarantor



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FUNDING FOR CWVENTURE MADE POSSIBLY BY A COMMUNITY ADVANCEMENT & DEVELOPMENT GRANT FROM THE WEST VIRGINIA DEVELOPMENT OFFICE AND BB&T.

