



The Corporation for New Milford Economic Development
P.O. Box 387
New Milford, CT 06776

Microloan Program Guidelines

As Approved by the Board of Directors 10/22/2020

Purpose:

The purpose of the New Milford Economic Development Corporation Microloan Program is to assist New Milford's small businesses. Direct loans up to \$15,000 are available to for-profit businesses that are creating or retaining jobs and that are making investments in their operations in the Town of New Milford.

Eligibility:

Businesses must be located in the Town of New Milford, be registered with the State of Connecticut or the Town of New Milford, in good standing, be up to date on local, state and federal taxes, and have <50 employees. Start up companies are eligible, but will have to provide additional information about their business plans.

Eligible Uses of Funds:

Funds may be used for the following purposes: purchase of machinery and equipment; construction or leasehold improvements; purchase of inventory or supplies, the purchase of furniture or fixtures; working capital; and other business-related expenses as approved by the Finance Committee.

Loan Amount:

Loan amounts can range from \$5,000 - \$15,000. At the discretion of the Finance Committee, special consideration can be given to increase the loan amount.

Loan Term:

The loan term is flexible and determined by the Finance Committee. In general, working capital, inventory & supplies will be 5 years. Machinery and equipment will be 7 years, and construction will be 10 years.

Interest Rates:

The interest rate of loans is fixed and shall be $\frac{3}{4}$ of the Wall Street Journal Prime Rate at the time of closing. There is no application fee.

Collateral/Guaranty/Equity

Loans require collateral, including a personal guaranty and life insurance from the business owner. Collateral requirements vary based on each applicant. The business owner is also required to have equity in the project.



MICROLOAN APPLICATION

INSTRUCTIONS: Complete this form and submit the required supplemental information via email to C4NMED@gmail.com or mail to: Stephanie Barksdale, Executive Administrator, The Corporation for New Milford Economic Development, P.O. Box 387, New Milford, CT 06776.

Applicant Information

Name/Contact: _____
Business Address: _____
Federal Tax ID Number: _____ **State Tax Registration Number** _____
Phone: _____ **Email:** _____
Business/Industry: _____ **NAICS (if known):** _____
Women-Owned Business? (Y/N) and % _____ **Minority-Owned Business? (Y/N and %)** _____
Veteran-Owned Business? Yes _____ **No** _____ **International Exporting Business? Yes** _____ **No** _____
Applicant Structure (eg LLC, Corporation, S-Corp, Partnership, Sole Proprietor) _____
Date Established: _____ **State of Incorporation:** _____

Business Status: (if yes to any answers please provide an explanation as addendum to application)

- Does applicant have any delinquent State, Federal or local Taxes?
- Do any owners/officers have any personal Tax Issues, history of bankruptcy?
- Does the existing site plan meet approvals, are there outstanding disputed issues?
- Does the applicant have any outstanding, pending or anticipated litigation, environmental, OSHA or other issues outstanding?

Request: Microloan Amount Requested \$ _____ (\$5,000 to \$15,000)

Required Information:

- Last two fiscal years of business taxes and/or financial statements. Start-up businesses must have projections for a balance sheet, income statement and cash flow statement with a monthly breakout for the first two years of operations.
- Financing Plan and Budget (list of sources and uses of funds)
- Project Description (include rationale for budgeted cost estimates)
- Business Plan (required for start-up businesses)
- Job Creation and economic impact, community benefit
- Personal financial statement and credit report within 30 days of application.

Certification

It is hereby represented by the undersigned to the Corporation for New Milford Economic Development to consider the financial assistance required herein, that to the best of my knowledge and belief no information or data contained in the Application or in the attachments is in any way false or incorrect, and that no material information has been omitted, including the financial statements. In addition, the undersigned agrees that any funds that may be provided pursuant to this Application will be used exclusively for the purposes represented in this Application, and as may be amended.

Public Announcement

Please be advised that your company and your project may be highlighted in a press release issued by the Corporation for New Milford Economic Development.

By submitting this document, I (insert Name/Title) _____ certify and agree to the above.

Signature _____ Date _____

3/25/22 SRB