



## SMOC Financial Services

### Application Guide

Thank you for your interest in the SMOC Financial Services (SFS) MicroLoan Program. SFS offers business coaching and loans up to \$50,000 for qualified small businesses. The funds can only be used for business purposes - They cannot be used to purchase real estate, for purposes that undermine SMOC's mission, to start or expand a multi-level marketing business, or for non-business purposes. With interest rates determined by risk factors associated with the loan and a 5-year term, borrowers sign a promissory note and guaranty to secure the loan.

#### Business Coaching

SFS offers one-on-one counseling or group training for startup, early stages, expanding, and struggling small businesses. Services consist of confidential business management advice, assistance in developing a comprehensive business plan and various financial statements, and guidance needed to successfully start, stabilize, and grow a business.

Technical assistance is provided throughout the life of the loan. Clients are expected to meet with SFS staff once per quarter to touch base on the business and ensure compliance of the loan terms.

#### Micro Loan

The maximum individual loan amount that can be approved for any single loan is \$50,000. The minimum loan amount is \$1,000. Note the following:

- **Application Fee** of \$50.00 is collected at the time of loan application and is non-refundable.
- **Origination Fee** of 3% of the loan amount is charged as part of the closing costs and is collected at the time of loan closing from the loan proceeds.
- **Interest rates** are based on the size of the loan, age and nature of the business, and is fixed for the lifetime of the loan. In the event of default, the default rate shall equal the note plus 5% per annum.
- **Late payment fees** will accrue if payments are received more than 15 days after their due date. The late payment fee is \$15 or 5% of the payment due, whichever is greater.
- **Terms** are up to five years.

#### Eligibility

SFS's goal is to provide services to the underserved populations, such as, immigrant, women, minorities, veterans, disabled, etc. in the MetroWest Boston and Greater Worcester areas. Businesses must physically be in these two geographical areas.

Eligible uses of the microloan funds include, but not limited to, general working capital needs, purchasing furniture or fixtures, upgrading fixed assets, such as machinery, equipment, and vehicles, building renovation/rehabilitation, and inventory purchases.

Clients may meet income eligibility with an adjusted gross income no more than 120% of the area median income for loan consideration (see chart below).

2022 HUD Moderate Income Limits

Household Size	Income limit	
	MetroWest	Worcester
1	\$117,800	\$83,900
2	\$134,600	\$95,900
3	\$151,400	\$107,850
4	\$168,250	\$119,850
5	\$181,700	\$129,450
6	\$195,150	\$139,050

Calculated at 120% Area Median Income

**Loan Application Check List**

- Complete and sign loan application
- Include personal financial statement
- Include a comprehensive business plan
- Provide current balance sheet and current operating statement
- Provide 12-month cash flow projection
- Provide year-to-date profit and loss
- Provide schedule of debt if any
- Explanation of any past bankruptcy or pending legal actions
- Include resumes for all principal owners
- Include the past three years financial state and federal tax returns for each owner
- Copies of all licenses and permits to operate
- Certificate of Corporate Existence
- Partnership agreement / Documentation
- Copy of Lease (rented properties only)
- Copy of franchise agreement (if applicable)



## GENERAL LOAN APPLICATION FOR FINANCING

### I. APPLICANT INFORMATION

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_ Email: \_\_\_\_\_

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

If less than three years, please provide prior address(s): \_\_\_\_\_

Date of Birth: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ SSN: \_\_\_\_\_ Gender:  Male  Female  Genderqueer/Non-Binary

Race (check all that apply):  White  Black / African American  Asian  American Indian / Alaskan Native  
 Native Hawaiian / Other Pacific Islander  Other

Ethnicity:  Hispanic Origin  Non-Hispanic Origin

Are you a veteran?  Yes  No

Are you a US Citizen?  Yes  No

Are you an immigrant?  Yes  No

Primary Language: \_\_\_\_\_

Household Monthly Income (Include spouse, if applicable):

Employment: \$ \_\_\_\_\_

Other Income: \$ \_\_\_\_\_

Government Assistance: \$ \_\_\_\_\_

Pension: \$ \_\_\_\_\_

Child Support: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

Current Employment Status (check all that apply)

Full-Time Self Employed

Part-Time Self Employed

Full-Time Employed

Part-Time Employed

Unemployed

Current Housing:  Own  Rent

Subsidized Rent  Other

Health Insurance:  Private  Medicare

Medicaid/MassHealth

None

### II. BUSINESS INFORMATION

Name of Business: \_\_\_\_\_ County: \_\_\_\_\_

Business Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Website: \_\_\_\_\_ Telephone: \_\_\_\_\_

Type of Entity (check one): Sole Proprietorship: \_\_\_\_ Partnership: \_\_\_\_ S Corp: \_\_\_\_ C Corp: \_\_\_\_ LLC: \_\_\_\_

Date Established: \_\_\_\_\_ IRS Employer I.D. #: \_\_\_\_\_

### III. BUSINESS OWNERSHIP: List the names of all owners, officers, and/or partners. Provide the percent of ownership and annual compensation. (Attach additional pages if necessary.)

Name and Title: \_\_\_\_\_ % of Ownership: \_\_\_\_\_

Address: \_\_\_\_\_ Annual Compensation: \_\_\_\_\_

Name and Title: \_\_\_\_\_ % of Ownership: \_\_\_\_\_

Address: \_\_\_\_\_ Annual Compensation: \_\_\_\_\_

IV. PROPOSED SOURCES AND USES OF FINANCING (Please be specific.)

Sources:

Bank: \_\_\_\_\_

SMOC: \_\_\_\_\_

Equity: \_\_\_\_\_

Owner Cash Contribution: \_\_\_\_\_

Other: \_\_\_\_\_

Total Project \$: \_\_\_\_\_

Uses:

Equipment: \_\_\_\_\_

Inventory: \_\_\_\_\_

Furniture & Fixtures: \_\_\_\_\_

Working Capital: \_\_\_\_\_

Other: \_\_\_\_\_

Total Project \$: \_\_\_\_\_

V. SUMMARY OF COLLATERAL

Please list identifying name, market value, and existing liens for each asset. (attach additional pages if necessary)

Land & Buildings: \_\_\_\_\_

Inventory: \_\_\_\_\_

Accounts Receivable: \_\_\_\_\_

Machinery/Equipment: \_\_\_\_\_

Furniture & Fixtures: \_\_\_\_\_

Other: \_\_\_\_\_

VI. BUSINESS EMPLOYMENT AND BENEFITS

Current Employment:

# Full-Time: \_\_\_\_\_ # Part-Time: \_\_\_\_\_

Projected Employment Increases Over Next 12 Months:

# Full-Time: \_\_\_\_\_ # Part-Time: \_\_\_\_\_

(Full-time= 35 or more hrs/week) (Part-time= less than 35 hrs/week)

VII. MISCELLANEOUS

Have you or any officers of your company ever been involved in bankruptcy or insolvency proceedings? \_\_\_\_Yes \_\_\_\_ No

If yes, please attach a description of the situation.

Is your business or any of its owners involved in any pending lawsuits? \_\_\_\_Yes \_\_\_\_ No If yes, attach a description of the details.

Are any of the owners of this business related to any SMOC employees or board members? \_\_\_\_Yes \_\_\_\_ No

If yes, please describe: \_\_\_\_\_

Are any of the owners of this business receiving other services from SMOC? \_\_\_\_Yes \_\_\_\_ No

If yes, please describe: \_\_\_\_\_

How did you hear about SMOC? \_\_\_\_\_

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); or whether all or parts of the applicant's income is derived from any public assistance program; or because the applicant has, in good faith, exercised any rights under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning South Middlesex Opportunity Council (SMOC) is the Federal Trade Commission. If a person believes that he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, DC 20580.

I/We understand that by signing this application I/we authorize SMOC to make inquiries as needed to verify the accuracy of the information and to determine creditworthiness. I/We certify the information is true and accurate and is provided for the purpose of obtaining a loan. SMOC will maintain the confidentiality of this information and it will not be released without authorization.

If Applicant is proprietor or general partner, sign here.

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Date

If Applicant is a corporation, sign below.

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Corporate Name

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Signature of President or duly authorized officer

Date