

Up to \$150,000

Business Growth Loan



Are You Eligible?

- You are an existing business located in the North Cariboo
- You are in the process of growing your business
- Your business is sustainable
- You have a viable growth plan
- You meet the minimum scoring requirements

Table of Contents

Business Growth Loan Program	3
What is it?	3
Are you eligible?	3
What do I need to apply?	4
Why do I need a growth plan?	4
<hr/>	
Loan Evaluation Process	5
Interest Rates, Application and Processing Fees, and Life Insurance:	6
<hr/>	
Business Growth Loan Application Form	7
Loan Information	7
Loan Benefits	7
Loan Payment Rewards Program	7
<hr/>	
Personal Statement of Affairs	9
Personal Net Worth Statement	9
Training Incentive	9
Training Opportunities	9
Community Benefit	9
Disclosure and Release Statement	10
Statement of Agreement	10
<hr/>	
Additional Information	11
Fee Structure	11
Business and Personal Credit Information	11
Application Appeal Process	12
<hr/>	

What is it?

Community Futures North Cariboo is committed to the development of a sustainable and diversified economy in the North Cariboo region. Community Futures recognizes that in exchange for growing revenues, greater market share and increasing profitability, businesses must contend with the challenges of sustaining growth. The Business Growth Loan provides financing up to \$150,000.00 with flexible repayment terms.

Are you eligible?

Score

In order to be eligible for this lending product you **must** be located in the North Cariboo and meet the criteria noted below with a score of **not less than five (5)**:

Record Points

- | | | |
|--|----------|--------------------------|
| <input type="checkbox"/> The owner(s) are willing and able to contribute at least 20% (non-borrowed - % of loan) | | |
| • 0 to 19% | 0 Points | |
| • 20% to 49% | 1 Point | |
| • 50% or more | 2 Points | <input type="checkbox"/> |
| <input type="checkbox"/> Your business has | | |
| • not been profitable in the last 3 years | 0 Points | |
| • been profitable in 1 of the last 3 years | 1 Point | |
| • been profitable in 2 of the last 3 years | 2 Points | <input type="checkbox"/> |
| • been profitable in 3 of the last 3 years | 3 Points | |
| <input type="checkbox"/> There is adequate security to support the loan (% of loan amount/security value) | | |
| • 0 to 50% | 1 Point | |
| • 51% to 100% | 2 Points | <input type="checkbox"/> |
| • > 100% | 3 Points | |
| <input type="checkbox"/> The business has a satisfactory credit history with a Credit Information Score ¹ of: | | |
| • Greater than 50 | 0 Points | |
| • Between 35 and 49 | 1 Point | <input type="checkbox"/> |
| • No rating | 1 Point | |
| • Less than 34 | 3 Points | |
| <input type="checkbox"/> The owner(s) have a satisfactory credit history (a bankruptcy may prohibit an approval) | | |
| • Bankruptcy or R9's | 0 Points | |
| • Marginal – (R3's to R5's - Beacon ² > 550) | 1 Point | |
| • Satisfactory (R2's to R3's – Beacon > 600) | 2 Points | <input type="checkbox"/> |
| • Excellent (R1's – Beacon > 650) | 3 Points | |

TOTAL SCORE

¹ Credit Information Scores are fully explained on page 11.

² Beacon Scores are fully explained on page 11.

What do I need to apply?

In order to process your application you **must** include **all** of the following documentation:

- A completed loan application signed by each borrower
- Copies of Accountant prepared Financial Statements for the last 3 years of operation OR a copy of Personal Tax Returns for the past 3 years of operation if you are a sole proprietorship or partnership
- A Summary of your financial requirements under this program (brief and typed)
- A copy of your **growth plan** (and original business plan if you have one)
- A copy of your Projected Cash Flow for the upcoming year with utilization of loan funds applied (noting that projected cash flows should be based on reasonable and realistic assumptions)
- A signed Consent to Credit Inquiry and Investigation (by each borrower)
- The non-refundable \$100.00 Application Fee (which must be included with your loan application)

Why do I need a growth plan?

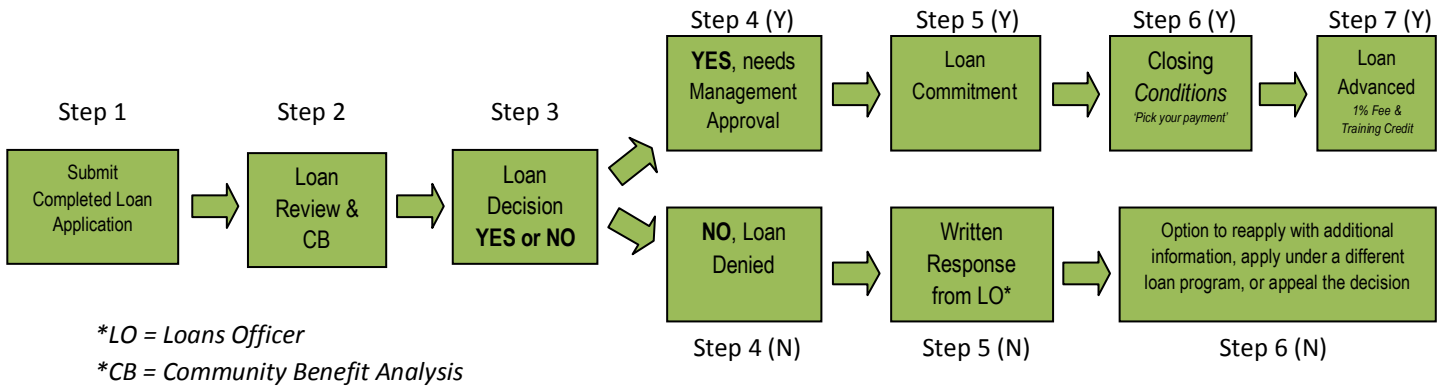
A business plan will provide valuable information to lenders, investors, and suppliers to demonstrate how you plan on using their money, and to establish a basis for the creditability of the business. It is typically the first hurdle to starting your own business.

Once your business is up and running, you need a plan that will guide the business towards successful growth. *The **business growth plan** demonstrates that you have examined the key challenges to sustainable growth and have developed a plan to overcome them.* By bringing your products and or services to new customers and/or markets, or perhaps introducing new or additional products and services, your business has the opportunity to realize its full potential.

Developing your Growth Plan

1. Set a clear strategic direction – Many businesses have succeeded based on instinct, but long-term growth requires long-term thinking.
2. Address the human resource challenge – Managing talent is a key challenge for private companies.
3. Maximize your cash flow – Growth is dependent upon a steady cash flow to reinvest into the business.
4. Get the most out of IT – Technology can be an untapped resource in your company.
5. Size up the competition – In a globalized world, competition can come at you from multiple directions.

Loan Evaluation Process



Loan Evaluation Process		
Step 1	Submit Completed Loan Application	Be sure you have signed all forms where indicated. Also, be sure to <i>make a copy of the application package</i> for your own records as we will keep all application materials submitted to us. Note, the \$100.00 application fee must be submitted at time of application.
Step 2	Loan Review	A Community Futures Loans Officer (LO) will complete a loan review which includes: <ol style="list-style-type: none"> 1. A review of credit reports on the business and all business shareholders (including spouses). (<i>A poor credit history on any of the applicants may result in a 'denied' application.</i>) 2. An assessment on the business which includes an analysis of the following: <ul style="list-style-type: none"> • <i>Management</i> – does the company have a history of profitability? Is there a strong management team in place with the skills needed to grow the business? Has the business demonstrated demand for growth? • <i>Cash Flow</i> –is there sufficient cash flow to sustain growth? Have cash flow management techniques been integrated into the overall financial strategy? • <i>Collateral</i> –is there sufficient collateral to secure the loan? Are the owners willing and able to sign a personal guarantee (if applicable)? • <i>Equity</i> – are the owners willing and able to invest 20% of the total loan applied for? • <i>Credit History</i> – do owners and the organization meet credit obligations responsibly? 3. A Community Benefit Assessment (see page 9).
Step 3	Loan Decision	Once the assessment has been completed, <i>the Loans Officer will call you to advise whether or not Community Futures is able to proceed with the application. (Please note the loans officer may require additional information and/or suggest modifications to the original loan request at this time.)</i>
Remaining Steps for an Approved Application		
Step 4 (Y)	Management Approval	If YES , the application requires final approval from management.
Step 5 (Y)	Loan Commitment	Once approved by management, <i>the Loans Officer will set-up an appointment with you to review and sign all relevant loan documentation such as:</i> <ul style="list-style-type: none"> • Letter of Offer to Finance signed by all borrowers; and • General Security Agreement(s) or other relevant security documents. <i>*Client is able to 'pick their payment' (see page 7).</i>
Step 6 (Y)	Closing Conditions	Once all documents are signed by all relevant parties and returned to Community Futures the funds are disbursed in accordance to the conditions under which the loan was approved.
Step 7	Loan	Upon advancement, a Loan Processing Fee of <i>1% of the total loan amount approved</i> is

(Y)	Advanced	due and payable (noting that this amount can be included as a part of the total loan proceeds).
Remaining Steps for a Declined Application		
Step 4 (N)	Loan Denied	If the LO determines there to be insufficient information, poor credit history (on behalf of any of the parties to the loan), or minimum eligibility criteria has not been met, the loan will be denied.
Step 5 (N)	Written Response from LO	If your loan is denied the LO will provide you with a written response outlining the reason(s) for the denial.
Step 6 (N)	Options	<ol style="list-style-type: none"> 1. If your loan was denied due to insufficient information, you have the opportunity to provide the LO with this information in order to reassess eligibility. 2. If your loan was denied due to minimum eligibility requirements not being met, you still have the opportunity to meet those requirements and to provide the LO with this information in order to reassess eligibility OR to apply under a different loan program that may better suit your current circumstances and lending requirements. 3. If your loan was denied due to a poor credit history, you may need to work on improving your credit history prior to re-applying under any loan program offered by Community Futures North Cariboo. 4. If you are dissatisfied with the outcome of your loan application you have the right to appeal the decision (<i>the Appeal Process is included on page 11</i>).

Additional Notes:

- Community Futures requires confirmation of your business being registered, and confirmation of a business bank account open prior to any loan funds being advanced.
- If the Loans Officer determines a weakness in any one area of the application, they may be able to look at the strengths in other areas. However, if there are weaknesses in more than one area, they may not be able to proceed with the application.
- It may take up to 10 business days to process your application and an additional 1-2 days to advance the loan upon management approval.

Interest Rates, Application and Processing Fees, and Life Insurance:

I/we acknowledge this loan, if approved, will attract a minimum interest rate of 9.25% which is fixed at date of disbursement.

A non-refundable \$100 application fee is due at time of application. A processing fee of 1% of the total loan proceeds (minimum of \$100) will also apply at the time the loan is disbursed.

I/we acknowledge that all loans must be life insured. Insurance can be purchased through the Community Futures Loan Program.

Applicants Signature: _____ **Date:** _____

If you have any questions about this package, the forms or the application process please feel free to contact our office at (250) 747-1212.



Business Growth Loan Application Form

Business Information	
Name Of Company/Business:	
Name of Principal(s)/Owner(s):	
Business Address:	
Business Phone #:	
Business Fax #:	
Business Cell #:	
Business E-mail address:	
Other contact information:	
<input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Incorporation	
Type of Business:	
<input type="checkbox"/> Service <input type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Forestry <input type="checkbox"/> Retail <input type="checkbox"/> Other (Specify) <input type="checkbox"/> Tourism <input type="checkbox"/> Hospitality	
FOR OFFICE USE ONLY	
Application Fee Included \$ <input type="checkbox"/>	LA #: _____
Proceed <input type="checkbox"/> Declined <input type="checkbox"/> Withdrawn <input type="checkbox"/>	Comments:
Current Loan Client <input type="checkbox"/> Previous Loan Client <input type="checkbox"/> Referral Referred by: <input type="checkbox"/>	Date Received: Received By:

Loan Information

- Total loan amount available under this program is \$150,000.
- Loans are available for growth/expansion of your business.
- A non-refundable \$100 Loan Application Fee is due and payable at time of application.
- A non-refundable Loan Processing Fee of 1% of the total loan amount approved is due upon approval and disbursement of the loan.
- Base interest rate is 9.25%.

Loan Benefits

- Flexible re-payment terms – solutions are tailored to meet your business needs.
- Fixed interest rate – no future rate fluctuations.
- No annual fees – saves you money.
- Ongoing support – our Client Care Program assures one-on-one business support at no additional cost.

**Two authorized skip payments are permitted in a 12 month period.*

Loan Payment Rewards Program

Interest Rate Reduction

Community Futures recognizes and rewards clients who effectively manage their loan payments. Clients who make all scheduled payments on time in the first year of the loan will be eligible for a **1% interest rate reduction**. That's right – timely payments result in *cash savings!*

Pick Your Payment Program

Community Futures understands that each business is unique in its day-to-day cash flow requirements. The 'pick your payment program' provides you with the flexibility required to time your cash outflows with your cash inflows. The only requirement for this program is that you meet your annual interest requirements and pay the loan off within the contracted term.

Description of Market

Provide a brief description of your business and the market(s) you intend to serve:

Loan Information

Total Amount Requested from CF \$ _____

Funds to be used for:	<input type="checkbox"/> Working Capital:	\$ _____	# Jobs Created: F/T _____		P/ T _____
	<input type="checkbox"/> A/R:	\$ _____			
	<input type="checkbox"/> Inventory:	\$ _____	# Jobs Maintained: F/T _____		P/ T _____
	<input type="checkbox"/> Other (Specify):	\$ _____			

FT = Full Time PT = Part Time

Summary of Uses of Funds

Funds Required for (provide a detailed breakdown for the totals noted above under Loan Information)	Amount
	\$
	\$
	\$
Total	\$

Personal Information

Applicant Information

Last Name:	First Name:	Middle Name:
Former Name(s) or Other Names Used including Maiden Name(s) or nicknames:		
E-mail:	Home Phone:	Cell Phone:
Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Single <input type="checkbox"/> Common Law		
Present Address:	City:	Postal Code:
Previous Address (if less than 5 years at present address):		
<input type="checkbox"/> Rent <input type="checkbox"/> Own	How long at current address (years)? _____	Birth Date (M/D/Y):
Personal Bank:		SIN #:
Contact Person:		Phone:

Spousal or Partner Information

Spouses /Partners Full Name:	Birth Date (M/D/Y):	SIN #:
Spouses /Partners Occupation:	Employer:	Work Phone:
Spouses /Partners Annual Income:	Length of Employment:	

Personal Statement of Affairs

Personal Net Worth Statement		
*Please list and describe all assets and liabilities in columns or space provided below:		
Personal Assets		
	Institution	Amount
Cash		\$
RRSP's		\$
Stocks, Bonds & Mutual Funds		\$
Real Estate		\$
Automobile #1 (Make, Model, Yr)		\$
Automobile #2 (Make, Model, Yr)		\$
Personal & Household Effects		\$
Other		\$
		\$
		\$
		\$
Total Assets (A)		\$
Personal Liabilities		
	Institution	Amount
Loans		\$
Mortgage(s)		\$
Taxes Payable		\$
Credit Card #1		\$
Credit Card #2		\$
Other		\$
		\$
		\$
Total Liabilities (B)		\$
TOTAL PERSONAL EQUITY (Net Worth) (A-B)		\$
Personal Statement of Equity as at (M/D/Y)		

Training Incentive

Community Futures believes that ongoing learning is essential for the continued success of small businesses. In an effort to support the development of entrepreneurial skills and values in the North Cariboo, the Business Growth Loan Program provides an additional opportunity to **reduce the interest on your loan by .5%**.

**Ask your Loans Officer for more information on how you can reduce your interest rates through training.*

Training Opportunities

Community Futures, in partnership with Small Business BC, offers a wide array of business training workshops 'to help educate, inspire and empower you to achieve your entrepreneurial dreams.' Some of the topics covered include:

- Growing Your Business
- eBusiness
- Exporting & Importing
- International Trade
- Marketing... and much more

If you are interested in finding out more about the seminars that are available and/or would like to register for a seminar you can visit our website at www.cfquesnel.com , www.smallbizeducation.ca , or give us a call at 250-747-1212.

Community Benefit

Community Futures Loans Programs are intended to support business opportunities that provide an overall benefit to the North Cariboo region. Accordingly, the lending process will include an assessment of the overall Community Benefit. The assessment will determine whether the loan will:

- Maintain existing employment or create new employment,
- Broaden the local economic base (develop new sector),
- Deepen the local economic base (add value to an existing sector),
- Meet demand for ongoing growth in the market,
- Provide benefits to targeted equity groups, and or
- Support priority economic development sectors.

Personal Statement of Affairs must be completed by each principal of the business and must include spouses information. The foregoing information is submitted for the purpose of establishing and/or maintaining credit with Community Futures North Cariboo and is a true, full, and correct statement of my/our financial condition on the date shown. I/we have no liabilities or financial obligations other than those stated. I/we hereby authorize the Community Futures North Cariboo to obtain any information it deems necessary about me/us, at any time during the applications process or during the term of the loan, should a loan be granted, from any credit reporting agency or from any person or source as Community Futures may see fit in accordance with this credit application.

Date	Applicant Name (print)	Applicant Signature	Spouse Name	Spouse Signature
------	------------------------	---------------------	-------------	------------------

Disclosure and Release Statement

Important – Read Thoroughly Before Signing:

1. Are you related to any Director or Employee of Community Futures Development Corporation of the North Cariboo? YES () NO ()
2. Are you or any closely related individual or company involved in ANY legal action or litigation whether personally or through your business? YES () NO ()
3. Have you ever applied for or been petitioned into bankruptcy? If yes, when _____ YES () NO ()
4. If financial assistance is approved, would you allow Community Futures Development Corporation to make a public announcement regarding your project? YES () NO ()

*The statements made herein are for the express purpose of obtaining financing from Community Futures and are to the best of my/our knowledge and belief true and correct. The applicant understands that additional information, if required in support of this application, must be supplied to Community Futures before adequate consideration can be given to the application.
 *The applicant(s) and spouse(s) consent to Community Futures making any inquiries of such persons, firms or corporations as it deems necessary in order to reach a decision on this application.
 *The applicant(s) agree the he/she has provided his/her social insurance number (SIN) to Community Futures as confirmation of his/her identity and authorizes Community Futures to use the applicant's SIN and reveal applicant's SIN to others as a means of identifying the applicant.

Statement of Agreement

I hereby agree that if any financing is provided to me for the purpose of the business project as described herein, that I shall:

- *follow the operating plan submitted herewith, and use the funds received from Community Futures for the purpose intended, and that any changes or alterations in loans shall be made only with the written permission of Community Futures;
- *that I/we shall provide Community Futures with such reports and additional information that may be required from time to time;
- *that I/we consent to the disclosure at any time of any credit information about me/us to any credit reporting agency or to anyone with whom I/we have financial relations.

AFTER reading the above Disclosure and Release Statement AND Statement of Agreement, please sign and date below IF you are in full agreement.

Must be signed by each applicant and their spouse(s). Please print full name and sign below:

Date

Applicant's Name

Applicant's Signature

Applicant's Name

Applicant's Signature

Witness Name

Witness Signature

Witness Name

Witness Signature

Additional Information

Fee Structure

- A non-refundable Loan Application Fee of \$100.00 must be included with your completed loan application.
- A Loan Processing Fee of 1% of the total loan amount approved is due upon disbursement of loan funds.
- A \$50.00 fee will be applied to all N.S.F. cheques.
- A \$50.00 fee will be applied to any *unauthorized* late or missed payments.

Note: We will authorize up to 2 skip payments in any given 12 month period with reasonable notification.

Business and Personal Credit Information

Credit Information Score (C.I.) – Equifax

- The Credit Information Score appears in the summary and trending sections of all Equifax Commercial reports along with the Payment Index.
- This score looks at how long the company has been in business, how quickly the company is paying its current bills and compares it to how quickly it had been paying bills in the past.
- Also taken into consideration is how recent and how big any negative occurrences may be (collection claims, legal actions, N.S.F. cheques, etc.).
- The highest possible score is 70 and the lowest score is 0. The **lower the score**, the greater the likelihood the debt will be repaid.
- For the purposes of the Small Business Sustainability Loan Program, a *C.I. score < 35 is preferred.*

Beacon Score

- The Beacon Score is a number generated by Equifax that ranks the credit-worthiness of individuals.
- The numbers predict the likelihood that a borrower will repay a loan.
- Criteria determining the Beacon score can include late payments, current debts, length of time accounts have been open and the types of credit that have been applied for.
- Beacon scores range from 0 to 1000. The **higher the score**, the greater the likelihood the debt will be repaid.
- A score of less than 700 increases the likelihood that debts are not going to be repaid.
- For the purposes of the Small Business Sustainability Loan Program, a *Beacon Score > 600 is preferred.*

Application Appeal Process

The following steps are to be followed by CF Clients who are dissatisfied with the service they have received or the response to their loan proposal:

1. **Staff Review** – Clients should first insure that they have clearly communicated their concerns to the staff person involved.
2. **Management Review** – Should a client feel that staff has not satisfactorily addressed their concerns; they may be brought to the attention of the General Manager.
3. **CF Board Review** – Should a client feel that the General Manager has not satisfactorily addressed their concerns an appeal may be made directly to the CF Board of Directors. Where an appeal is made to the Board of Directors, the following steps will be taken:
 - a. Client provides written appeal to the CF Board of Directors
 - b. General Manager provides written submission to CF Board of Directors
 - c. CF Board review of Client and General Manager written submissions
 - d. The decision of the Board of Directors is final.
4. Lastly, your local Member of Parliament can forward appeals to the Federal Government department in charge of the Community Futures programs:

Dick Harris, M.P.
206 – 575 Quebec Street
Prince George, B.C. V2L 1W6 or call toll free 1-800-668-4282



Community Futures North Cariboo



Western Economic
Diversification
Canada

Diversification de
l'économie de
l'Ouest Canada

Canada