

# Main Street Loan Program

## What information will you need to supply to process your loan?

- Main Street Loan Program Application.
- Detailed Business Plan.
- Personal Financial Statement(s) for all Business Owners & 2 years Personal Tax Returns for all Business Owners.
- Resume(s) for all owner(s) & management.
- Bank Statements – Business and/or Personal for the last 1 month.
- Historical Balance Sheet & Income Statements and Federal Income Tax Returns for the previous 2 years for the *existing* business (if being purchased please obtain from the seller). If acquiring a business, a proforma/opening balance sheet will also be required.
- Current Balance Sheet & Income Statement dated within 90 days of the application together with an Aging of Accounts Receivable and Accounts Payable list for the existing business.
- Projected Income Statements of the business the next 2 years of operations. *Must include a written description of the assumptions.*
- If a new business (operating 2 years or less)-along with 2 years of income projections & assumptions, A monthly cash flow analysis for the first 12 months of operation*
- Verification of Collateral (collateral descriptions, costs documents, titles, etc.)

## What is the Main Street Loan Program?

- Type of Loans:** Participation with local lenders or direct loan to business
- Eligible Businesses:** Small Businesses; (new or existing) operating in North Dakota (visit with DCDC for a complete list of eligibility requirements)
- Use:** Working capital, inventory  
Small equipment
- Amount:** Minimum: \$1,000  
Maximum: \$24,999
- Term:** Working capital: 1-18 months  
Equipment: up to 3 years  
Maximum: 5 years
- Rates:** Fixed rate - established at time of Loan approval
- Repayment:** ACH payments required on the 1<sup>st</sup> of month
- Collateral:** Personal guaranty; 1<sup>st</sup> lien assets; cosigners, etc.
- Equity:** Min. 10% Investment by owner required
- Fees:** 2% origination fee (min \$100) plus all hard costs

## What are the steps to apply for small business financing?

- All businesses will be required to submit a complete application package & business plan. The level of detail will be based on your years in business. You may be required to complete courses on business operations.
- Upon receiving all requested information, your application will be evaluated by Dakota CDC. Credit and lien searches will be completed and a recommendation will be prepared for the Main Street Loan Program review committee.
- The loan review committee will consider the request and approve, disapprove or request further information. If the loan review committee has approved your request, your loan will be closed and disbursed as quickly as possible. Your loan payments will begin at that time.
- Processing time for the Program is generally 1 to 3 weeks.

**Technical Assistance:** Borrowers may be required to attend Technical Assistance meetings or classes to provide them with help in running their business.

**Business Plan Assistance:** Contact 1-800-544-4674 for local or area Small Business Development Center nearest

## Dakota CDC

*“An Equal Opportunity Provider, Employer & Lender”*

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