

SHAWNEE STARTUPS
Encourage & Support Entrepreneurs in Shawnee County, Ks
Loan Fund Guidelines
Through Glacial Hills Resource Conservation & Development Region



Loan Size

- \$5,000 to \$75,000
- The E-Community funds can be no more than 60% of the total loan amount. The remainder must come from a financial institution and/or a local/regional public source of capital.

Use of Loan Proceeds includes but is not limited to

- Purchase of business equipment
- Purchase of business inventory
- Working capital
- Improvements to owned real estate
- Real estate, when partnered with commercial lender

Fees

- \$200 Application Fee
- \$500 closing cost for loan of \$20,000 or less
- \$750 closing cost for loan over \$20,000

Terms for Most Loans

- Fixed interest rate minimum 3% or higher based on use of funds
- 12 to 84 month principal and interest
- Startups only, option for interest only payments for first year
- No penalty for early repayment
- Direct loan costs are paid by the borrower (credit reports, closing fees, attorney fees, etc.)

Collateral

- Collateral required – provide detailed list
- Assets purchased with loan may be used as collateral
- Borrower is required to sign a security agreement that pledges all unsecured assets necessary as collateral and a personal guaranty agreement

Credit History

- Full credit history is obtained from Experian by loan committee including credit score
- Applicant must show credit worthiness
- Explainable circumstances are taken into consideration

Loan Funds May Not Be Used For:

- Paying off existing debt
- Salary or owner's draw
- Down payment on real estate
- Payroll, property taxes or any other back taxes
- Personal vehicles
- Refinance existing debt
- Personal housing rent or mortgage payments

Who Qualifies?

- Most startup or expanding small businesses who are creating or retaining jobs in the incorporated areas of rural Shawnee Co. plus the economically distressed areas in Topeka

Eligibility

- Startup or growing businesses who may not meet regular bank lending criteria, but which have a track record of paying their bills on time and which have reasonable prospects of being able to repay a loan
- Demonstrate ability to pay back the loan
- Preference will be given to borrowers of startup businesses who complete an approved business training class

Businesses That Do Not Qualify

- Non-profit organizations
- Academic institutions
- Gambling concerns
- Floor planning concerns (I.E., wholesale auto inventory financing)
- Speculative concerns
- Lending or investment institutions
- Multilevel marketing or pyramid sales

Applicants Who Are Not Eligible

- Past due on school loans
- Past due on child support payments

What to Include in Loan Application:

- Application form with fee
- Business plan, which includes financial projections (monthly cash flows for a year, balance sheet and income statement for 3 years)
- Current personal financial statement
- Statement of personal work history
- Past 3 years' personal tax returns
- Past 3 years' business financial statements, if applicable
- Year-to-date business financial statements, if applicable
- List and valuation of collateral
- Proof of business insurance

For more information call Gary Satter at 785-608-8801 or email gary.satter@glacialhillsrcred.com.