



# Microloan Facts Sheet

## What is a Microloan?

A microloan is a small, short-term loan to a small business through the SBA Microloan Program. Small businesses are defined as having less than 5 employees.

## What is the process?

We believe your credit score is your greatest asset. We take each individual through one-on-one credit education and credit building as part of the loan application process. Once all requirements are met and all documentation received, it just takes 2-4 weeks.

## Who qualifies for a loan?

- Any one over the age of 18
- Start-ups and existing businesses
- Denied by a bank (if applicable)

Applicants cannot be in bankruptcy.

## What are the terms of a Microloan?

Size: \$500-50,000 (average is \$8000)

Repayment: Up to 72 months

Interest Rate: 8-12%

## How can I use the loan?

You can use the loan for working capital, inventory, equipment and furniture/fixtures. The Microloan cannot be used for owner's salary/draw or real estate purchase.\*

## What documents are required?

- Photo ID
- **Proof of income (W-2's, social security, disability, bank statements)**
- Proof of residence (utility bill or other official document)
- Use of loan proceeds
- Business Plan or Business Plan Questionnaire (provided at request)
- 2 personal references
- 3 months of recent bank statements (if available)
- 2 years of tax returns, preferred (most recent)
- Recent business financial statements (if applicable) or projections
- Proof of insurance (if applicable)

## What about collateral?

Each loan is looked at individually. We will consider available collateral as well as other options, like a co-signer.

## Do I need a bank account?

Yes. We use ACH (automatic debit) to repay your loan. If you do not have a bank account, please visit [www.bankonsaveupkc.org](http://www.bankonsaveupkc.org) for a list of banks that offer no-low cost accounts.

## Who do I contact?

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