



Cayuga Economic Development Agency Micro-loan Program Loan Information

The Cayuga Economic Development Agency (CEDA) created the Micro-loan Program as a way to work cooperatively with other lending institutions and economic development agencies to assist entrepreneurs/businesses. This assistance is intended to encourage economic growth that would generally not occur without assistance from the CEDA Micro-loan Program.

The objectives of the CEDA Micro-loan Program are to:

- encourage the start-up, growth and expansion of businesses throughout Cayuga County
- diversify the local economy in ways consistent with the CEDA economic development strategy
- stimulate investment from private, nonprofit and governmental entities
- increase employment opportunities for residents
- expand the real estate tax base

Here is some basic information that you should know about the Micro-loan Program.

Loan Terms

- Loan amounts between \$1,000 and \$5,000
- Loan term of up to 5 years
- Interest rate determined on case by case basis
- Subject to late fees and default

Eligibility

In order to be eligible for a CEDA Micro-loan, your business or organization must:

- be located within Cayuga County
- be able to demonstrate an ability to repay based on credit history, a current balance sheet and projected cash flow
- provide a minimum 10% equity investment in the project being funded by the loan
- pay \$150 application fee, plus closing costs, third party fees, etc. if applicable

Use of Funds

Micro-loans may be used for:

- Construction, renovation or expansion of a building
- Working capital, including training
- Purchasing machinery or equipment
- Gap financing
- Furniture and fixtures

The loan may not be used for the acquisition of land or buildings, regular building maintenance or refinancing.

To apply for a micro-loan, your business should first complete the preliminary application form. Once your preliminary application is received, a CEDA staff member will contact you to set up an appointment to review the program. At that time, you will receive the full application packet. At your convenience, please feel free to review the program's Procedures, Selection Criteria and Application Checklist as well.

The CEDA team looks forward to working with you and your business. Please feel free to call us at 315-252-3500 if you have any questions.



Cayuga Economic Development Agency Micro-loan Program Review Procedure & Criteria

Procedure for review:

- 1) Applicant meet with CEDA to review program
- 2) Applicant completes & files an application
- 3) CEDA staff reviews the application to:
 - a. confirm eligibility
 - b. assess economic impact
 - c. evaluate financial feasibility/viability
 - d. conduct a credit review
 - e. analyze collateral
 - f. perform a cash flow analysis
- 4) Loan Committee review & decision*
- 5) Legal review & approval (if needed)
- 6) Applicant notified within 30 days of decision
- 7) Loan closing

*Applications that are denied may be resubmitted for reconsideration once all comments and/or concerns have been addressed.

While reviewing your application, the CEDA staff, Loan Committee, and CEDA Board will consider the following criteria:

- Eligibility
- Need for loan
- Type of business and fit with CEDA strategy
- Potential economic development impact
- Leverage (other sources of financing)
- Loan use(s)
- Viability of business/business plan
- Credit worthiness



Cayuga Economic Development Agency Micro-loan Program Application Checklist

Step 1: Meeting with CEDA staff member

Step 2: Initial financial review

- Credit Verification Authorization form(s) for anyone with 20% or more ownership interest
- Personal Financial Statement(s) for anyone with 20% or more ownership interest
- \$25 pre-application fee

Step 3: Application submission

- Final application form, including:
 - Business Plan
 - P&L Statement for prior three years (if existing business)
 - Current Balance Sheet
 - Cash flow projection for twelve months
 - Resumes for principals and key personnel
 - Legal Structure (operating agreements, articles of incorporation, etc.)
- \$125 final application fee

Step 4: Application review

- Presentation to CEDA Executive Committee (if requested)

Step 5: Closing (if approved)

- Loan Agreement
- Personal Guarantee(s) for anyone with 20% or more ownership interest
- Coverage of legal fees and closing costs (if applicable)