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Greetings,

Thank you for contacting the Women's Business Center at New Visions, New Ventures regarding a Community Express loan. Community Express is a special U.S. Small Business Administration (SBA) loan program designed to provide loans to start-up businesses and existing small businesses that may have difficulty obtaining financing through traditional banks.

As part of the Community Express loan program, the SBA and its participating lenders require borrowers to participate in technical assistance. Technical assistance is the one-on-one business counseling offered by the Women's Business Center at New Visions, New Ventures and is designed to help you on your road to business success. Assistance is provided in such areas as business start-up, business planning, marketing, management, and financing.

As a technical assistance provider for the Community Express loan program, staff of the Women's Business Center will help you determine your eligibility for a Community Express loan, identify the most appropriate Community Express lender to approach, complete the application package, submit your application to the lender for underwriting, and serve as your liaison with the lender. Additionally, as part of the application process, you will work with your business counselor to develop a technical assistance action plan.

Enclosed you will find detailed information about Community Express loans as well as a checklist for getting started. Should you have questions or need additional information, please e-mail: [WBC@nvnv.org](mailto:WBC@nvnv.org).

We also would encourage you to explore the business training, business counseling and financial education services offered through the Women's Business Center by visiting our website at [www.nvnv.org](http://www.nvnv.org), attending one of our free orientation sessions held every Tuesday at noon, or by calling (804) 643-1081.

We look forward to working with you on developing or expanding your business venture.

Sincerely,

The Women's Business Center  
New Visions, New Ventures

# U.S. Small Business Administration Community Express Loan Program



## Loans from \$5,000 - \$50,000

### **Basic Eligibility Requirements**

- Personal credit history. You are not eligible for a loan if you have federal/state tax liens, unsatisfied judgments, delinquent student loans, currently past due credit accounts, or a recent bankruptcy.
- The larger the loan request, the higher the credit standard
- All principals must be U.S. citizens or Permanent Resident Aliens
- A written business plan for start-ups and some existing businesses
- Participation in pre and post-loan technical assistance
- Franchises must be on the SBA approved franchise registry. [www.franchiseregistry.com/Registry](http://www.franchiseregistry.com/Registry)
- Certain types of businesses are not eligible including but not limited to: speculative real estate, multi-level marketing, home-based assisted living facilities, non-profits, and those with any product or service of a sexual nature.
- All principals must be current on child support obligations
- Principals who have been arrested or convicted for any criminal offense other than a minor vehicle violation must be approved by SBA prior to submitting a loan application

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### **Loan Specifications**

No collateral is required for application • Interest rate ranges from Prime + 3.75% to Prime + 4.75%

Processing fee is \$350-\$550 (only if the loan is funded) • SBA Guarantee Fee (based on loan amount)

7-10 year term with no prepayment penalty • Loan payments are drafted from business checking account

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### **In order to receive funds, you must have:**

- A legal business entity established with the State Corporation Commission (for LLCs, partnerships or corporations)
- Fictitious Name Certificate if operating as a sole proprietorship
- A business license (as required by your locality)
- Federal Tax Identification Number (form SS4)
- A business checking account
- A physical location for the business (unless home-based)

## Checklist For Getting Started With A Community Express Loan

\_\_\_\_\_ **STEP 1: Review the Frequently Asked Questions included with this packet.** Many of the most common questions about Community Express loans are answered in this section.

\_\_\_\_\_ **STEP 2: Determine your creditworthiness.** You can obtain a free copy of your credit report from each of the three credit bureaus at [www.annualcreditreport.com](http://www.annualcreditreport.com). In addition to your credit report, you will need to obtain a copy of your credit score, which you can get for approximately \$6.00 per credit bureau through this same website. We suggest you obtain your score from each of the bureaus but if you only request one, get your score from Trans Union.

You are not eligible for a loan if you have federal/state tax liens, unsatisfied judgments, delinquent student loans, currently past due credit accounts, or a recent bankruptcy.

The loan amount you qualify for also will be determined by your personal credit history so keep in mind that the larger the loan request the higher the credit standard.

\_\_\_\_\_ **STEP 3: Prepare a written business plan.** If you are a start-up business, you are required to have a business plan before applying for a loan. If you need assistance preparing your plan, you may enroll in the business plan training offered through the Women's Business Center. If you have a draft business plan, you may set-up an appointment with a business counselor to review your plan.

\_\_\_\_\_ **STEP 4: Complete the enclosed Loan Inquiry Form and Program Application.** The loan inquiry form provides us with the necessary background information to prepare for your technical assistance session. The program application is a requirement for all new clients of New Visions, New Ventures.

\_\_\_\_\_ **STEP 5: Submit the following items by mail:**

- Loan Inquiry Form
- Program Application
- Copy of Credit Report
- Copy of Business Plan

**Mailing Address:** New Visions, New Ventures • 801 E. Main Street, Suite 1102 • Richmond, VA 23219

\_\_\_\_\_ **STEP 6: Schedule a technical assistance session.** Once the above items are received, a staff member at New Visions, New Ventures will contact you to schedule an appointment. During this session, we will help you to evaluate your loan options and begin the application process.

If you have additional questions, you may e-mail them to: **WBC@nvnv.org**

## **Frequently Asked Questions about the Community Express Loan Program**

### **How much money can I apply for through the Community Express Loan Program?**

Your eligibility for a loan and the amount you can qualify for is based on several factors, including: 1) your personal credit history; 2) your debt to income ratio; 3) household income; 4) homeownership status; 5) length of time in business; 6) type of industry; 7) related business experience; and 8) whether or not the business is 51% or more owned by a woman, minority or veteran or located in a low-to-moderate income area.

Typically, start-up businesses will not qualify for loans over \$25,000 unless the principals have a very strong credit profile.

### **Why does my personal credit history affect my ability to get a business loan?**

If your credit report shows that you have not demonstrated your responsibility in repaying your personal debts, the lender will have no reason to believe you will repay your business loan. Therefore, it is very important to establish your creditworthiness before applying for a loan. If you would like to learn more about money management and credit repair, we suggest you enroll in our *Financial Freedom* training or participate in our individual financial management counseling services.

### **Why are the interest rates higher than my mortgage or car loan?**

First, commercial loans are always at a higher interest rate than personal loans. Second, small business loans, especially loans like Community Express that do not require collateral, are considered risky and therefore, the interest rate helps offset the risk to the lender. If you are able to get financing at a lower interest rate through a traditional bank or another lender, or by accessing your home equity, we would encourage you to explore your options. However, please note that other lenders will most likely require collateral.

### **What are the fees associated with applying for the loan?**

The lender charges a processing fee, which ranges from \$350-\$550, depending on the lender and the size of the loan. There is also a SBA Guarantee Fee, which is 2% of the guaranteed amount. On a \$25,000 loan, the guarantee fee is \$425. These fees are only collected if the loan is funded.

### **What if I need more than \$50,000 or I do not qualify for a Community Express loan?**

If you need a loan over \$50,000 or your business does not qualify for a SBA Community Express loan, the Women's Business Center can help you with your business plan but you will need to develop a relationship with a local bank or lender in order to apply for a loan. Typically, for larger loans or non-SBA guaranteed loans, lenders will require: a business plan; collateral; a minimum of 20% equity in the business; and financial statements and tax returns

It is oftentimes difficult for start-up businesses (businesses less than two years old) to receive high levels of financing or non-SBA guaranteed loans. Therefore, determine how much money you will need to borrow and determine your likely eligibility for such financing prior to starting your venture.

### **What if my business fails or I cannot make my loan payments?**

You are responsible for re-paying your loan regardless of whether or not the business succeeds. If you are not willing to take the financial risk of starting a business, you may need to consider whether or not entrepreneurship is right for you.

### **Can I get a grant to start my business?**

There is a lot of misinformation about grants being sold in books, at workshops and on the Internet. The truth is that there typically are no grants available to entrepreneurs wanting to start businesses. The federal government supports small business development through the U.S. Small Business Administration, which offers loan guarantee programs.

## Loan Inquiry Form

**Please Note: This is not a loan application** but rather provides us with the necessary background information to prepare for your technical assistance session.

Legal Name of Business: \_\_\_\_\_ DBA: \_\_\_\_\_

Products/Services Sold: \_\_\_\_\_ Business Start Date: \_\_\_\_\_

Sole Proprietorship       Partnership       LLC       Corporation

Business Physical Address: \_\_\_\_\_

Business Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Business Contact E-mail: \_\_\_\_\_ Website: \_\_\_\_\_

Completed Business Plan:     yes     no      Business Checking Account:     yes     no

Is the business a franchise?     yes     no      Has the business had a previous SBA loan?     yes     no

Desired Loan Amount: \_\_\_\_\_ Purpose of Funds: \_\_\_\_\_

Does anyone owning more than 20% of the company have ownership in another business?     yes     no

Owner/Principal #1 \_\_\_\_\_ Percentage of Ownership \_\_\_\_\_

Is Principal #1 a woman, minority or a veteran?     yes     no      Residence Status:     own     rent

U.S. Citizen:     yes     no      Total Household Income: \_\_\_\_\_ Total Debt: \_\_\_\_\_

Does Principal #1 have a recent copy of credit report?     yes     no

Prior arrest or conviction for any offense other than a minor vehicle violation?     yes     no

If more than one owner:

Owner/Principal #2 \_\_\_\_\_ Percentage of Ownership \_\_\_\_\_

Is Principal #2 a woman, minority or a veteran?     yes     no      Residence Status:     own     rent

U.S. Citizen:     yes     no      Total Household Income: \_\_\_\_\_ Total Debt: \_\_\_\_\_

Does Principal #2 have a recent copy of credit report?     yes     no

Prior arrest or conviction for any offense other than a minor vehicle violation?     yes     no



## Business Information

Are you currently in business?  Yes  No    **If NO**, skip to Business Counseling section below.

If YES, Name of Company \_\_\_\_\_

What percentage of your business is male or female ownership? \_\_\_\_\_% Male \_\_\_\_\_% Female

What was the month and year your business was started? Month \_\_\_\_\_ Year \_\_\_\_\_

Do you conduct business online?  Yes  No    Is this a home based business?  Yes  No

Total number of employees (full and part time): \_\_\_\_\_

For your most recent full business year, what were your:

Gross Revenue/Sales \$ \_\_\_\_\_ +Profits/-Losses \_\_\_\_\_

What is the legal entity of your business?

Sole Proprietorship     Corporation     LLC     S-Corp     Partnership     Other \_\_\_\_\_

Type of Business (choose primary category)

- |  |  |   |  |
|--|--|---|--|
| <input type="checkbox"/> Mining  | <input type="checkbox"/> Manufacturing         | <input type="checkbox"/> Real Estate & Rental & Leasing   | <input type="checkbox"/> Professional Scientific & Tech Services |
| <input type="checkbox"/> Utilities                                     | <input type="checkbox"/> Finance & Insurance   | <input type="checkbox"/> Health Care & Social Assistance  | <input type="checkbox"/> Management of Companies                 |
| <input type="checkbox"/> Information                                   | <input type="checkbox"/> Wholesale Trade       | <input type="checkbox"/> Accommodation & Food Service     | <input type="checkbox"/> Agriculture, Forestry, Fishing, Hunting |
| <input type="checkbox"/> Construction                                  | <input type="checkbox"/> Public Administration | <input type="checkbox"/> Arts, Entertainment & Recreation | <input type="checkbox"/> Administrative & Support                |
| <input type="checkbox"/> Retail Trade                                  | <input type="checkbox"/> Educational Services  | <input type="checkbox"/> Transportation & Warehousing     | <input type="checkbox"/> Waste Management                        |
| <input type="checkbox"/> Other Services (except Public Administration) |  |   |  |

## Business Counseling Information

What is the nature of counseling you are seeking? (Choose primary category)

- |  |   |  |   |                                    |
|--|---|--|---|------------------------------------|
| <input type="checkbox"/> Start-up Assistance   | <input type="checkbox"/> Human Resources    | <input type="checkbox"/> Marketing/Sales   | <input type="checkbox"/> Tech/Computers         | <input type="checkbox"/> Cash Flow |
| <input type="checkbox"/> Business Plan         | <input type="checkbox"/> Customer Relations | <input type="checkbox"/> eCommerce         | <input type="checkbox"/> Legal Issues           |                                    |
| <input type="checkbox"/> Loans/Finance/Capital | <input type="checkbox"/> Accounting/Budget  | <input type="checkbox"/> Franchising       | <input type="checkbox"/> Government Contracting |                                    |
| <input type="checkbox"/> Managing a Business   | <input type="checkbox"/> Tax Planning       | <input type="checkbox"/> Buy/Sell Business | <input type="checkbox"/> International Trade    |                                    |

Describe specific assistance requested \_\_\_\_\_

***Please read and sign the following:***

I request business counseling service from the Small Business Administration (SBA) or an SBA Resource Partner. I agree to cooperate should I be selected to participate in surveys designed to evaluate SBA services. I permit SBA or its agents the use of my name and address for SBA surveys and information mailings regarding SBA products and services:

Yes  No

I understand that any information disclosed will be held in strict confidence. (SBA will not provide your personal information to commercial entities.) I authorize SBA to furnish relevant information to the assigned management counselor(s). I further understand that the counselor(s) agree not to: 1) recommend goods or services from sources in which he/she has an interest, and 2) accept fees or commissions developing from this counseling relationship. In consideration of the counselor(s) furnishing management or technical assistance, I waive all claims against SBA personnel and that of its Resource Partners and host organizations, arising from this assistance. Please note: The estimated burden for completing this form is 3 minutes. You are not required to respond to any collection information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to: U.S. Small Business Administration, 409 3<sup>rd</sup> Street, SW Washington, DC 20419, and to: Desk Officer SBA, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, D.C., 20503. OMB Approval (3245-0324). PLEASE DO NOT SEND FORMS TO OMB.

Preferred date and time for appointment: \_\_\_\_\_ (not required)

Client Signature \_\_\_\_\_ Date \_\_\_\_\_