



City of Auburn, Maine
Business & Community Development
Glen Holmes, Director
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CDBG MICRO ENTERPRISE LOAN

A. PROGRAM GOAL

This program is designed to provide access to small businesses and start-ups. It is a streamlined, low barrier program designed to provide access to capital for businesses not traditionally bankable. There will be no minimum credit score required but applicants must have no delinquent or outstanding derogatory accounts reported.

B. PARTICIPANT ELIGIBILITY

Eligible applicants will be businesses with a majority ownership qualifying as 80% Low-to-Moderate income using the most recent HUD income qualification tables. Ownership structures will include:

- Sole Proprietors
- Partnerships
- LLCs
- Corporations

C. TERMS AND CONDITIONS

Maximum Loan amounts will not exceed \$7,500 and be secured by a Personal guaranteed from business owners and a UCC Filing on all business assets. Loan Terms will be a fixed rate 2% loan amortized over 3 years.

Allowable uses include:

- Working Capital
- Inventory & Equipment

D. APPLICATIONS

- A completed application form
- A completed intake form from all owners
- 1 form of Identification for each owner
- 1 year business tax returns and/or 1 year personal tax return and 3 bank statements
- Documentation of collateral

E. APPROVALS

- Completed applications will be presented to the Department Director for Approval.
- No-Credit-Elsewhere assessment as approved by HUD
- Owners below 80% LMI
- Credit check demonstrating no outstanding delinquencies