



*Au Sable River*

## Loan Terms & Conditions:

1. Loans are secured with a mortgage and promissory note signed by the borrowers.
2. It is anticipated that most loans will be in \$1,000 to \$5,000 range. Loans up to \$30,000 will be considered and will need a two-third majority approval of the OCEDC Board, rather than a simple majority, must give approval.
3. Loans are made at a fixed interest rate of prime plus 2%.
4. The maximum term of the loan will not exceed 10 years with a 15-year amortization. The OCEDC will set the terms based upon the useful life of the collateral interest. Payments will be monthly and include principle and interest.
5. Proceeds of loan cannot be used to finance any other existing debt.
6. Borrower must have equity in the business.



## Mission:

To enhance the economy and quality of life in Oscoda County. This will be the accomplishment by creating long term employment opportunities while maintaining the rural and natural atmosphere of the country.

## Objectives:

The goals of the Economic Development Corporation include helping small businesses thrive in Oscoda County. Creating viable businesses to meet the needs of the community as well as create effective growth for the County economically are key factors the EDC will use in considering new loan/microloan endeavors.



EQUAL HOUSING  
OPPORTUNITY



# OSCODA COUNTY ECONOMIC DEVELOPMENT CORPORATION

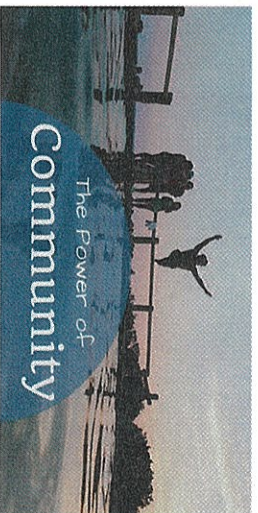
Oscoda County Building

311 Morenci Street

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Mio, MI 48647

Phone: 989-826-1167



## Eligible Businesses:

The requirements of eligibility for the RLF/Micro loan program are based on specific aspects of the business and its principles. As such, the key factors of eligibility are based on what the business does to receive its income, the character of its ownership and where the business operates.

Loans are limited to economic development and related projects. Loan proceeds may be used for the purchase of equipment, supplies or remodeling of real estate.

Applicant must demonstrate the ability to repay the loan and be an acceptable credit risk, as determined by the Oscoda County Economic Development Board.

- Operate for profit (run a profitable business with sufficient cash flow to meet both new and current loan payments).
- Be, as defined by Small Business Administration.
- Be engaged in, or propose to do business in, the United States, or its possessions.
- Have reasonable invested equity
- Use alternative financial resources, including personal assets, before seeking financial assistance.
- Be able to demonstrate a need for the loan proceeds.
- Use the funds for a sound business purpose.
- Not be delinquent on any existing debt obligations.

## Ineligible Businesses:

A business must be engaged in an activity OCEDC determines as acceptable for financial assistance from a Federal provider. The following list of business types are not eligible for assistance because of the activities they conduct:

- Financial businesses primarily engaged in the business of lending, such as banks, finance companies, payday lenders, some leasing companies.
  - Businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds.
  - Life Insurance Companies.
  - Businesses located in a foreign country (Businesses in the United States owned by aliens may qualify)
  - Businesses engaged in pyramid sale distribution plans, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants.
  - Businesses engaged in any illegal activity.
  - Businesses in which the lender or EDC, or any of its associates owns an equity interest.
  - Government owned entities.
  - Speculative businesses (such as oil exploration)
  - Businesses that present live performances of an indecent sexual nature or derive directly or indirectly more than 2.5 percent of gross revenue through the sale of products or services, or the presentation of any depictions or displays, or an indecent sexual nature.
- All applications are considered without regard to race, color, religion, sex, national origin, age, marital status, or physical handicap (provided applicants have the capacity to enter into a legal contract) of the members of groups applying for assistance. Service must be extended on the same basis.

Compliance with all local, state, and federal laws and regulations (Civil Rights Act of 1964 and section 112 of Public Laws 9265, amending the Public Works and Economic Development Act of 1965).



## Application Requirement and Assurances:

**Applicants are subject to a loan application, review, approval, and monitoring process. The applicant shall provide, at minimum the following:**

- Applicant must complete the loan application furnished by OCEDC RLF, being sure to include all of the items requested.
- Create a completed business plan. For business assistance, the applicant may rely upon the Small Business Development Center.
- Provide the following financial documents for eligibility.
  1. Two year's business & personal tax returns with supporting schedules.
  2. An updated personal financial statement
  3. Current bank deposit and brokerage statements to support liquid asset values.
- Corporation papers showing name of business and owners(DBA)
- If incorporated-incorporation documents
- Deed to property of business and personal property
- Lease agreement of place of business
- Current property tax receipt
- Proof of Insurance- Declaration Page
- Credit Report of all business owners
- Proposed purpose of the loan and amount of the request
- Driver's License