



Youth Business Loans

Through Federal assistance from Industry Canada, the Renfrew County Community Futures Development Corporation (RCCFDC) offers business financing to Youth within Renfrew County who need financing for new or existing small businesses. Since 1986 Community Futures has been lending money to small businesses in Renfrew County. During the past 22 years we have invested more than \$13 million in local businesses.

Financing

Young entrepreneurs, ages 19 to 34 years old, who do not qualify for conventional funding, are eligible for RCCFDC's Youth Business loan. Under this program, Youth can apply for up to \$15,000 (minimum \$5,000) to acquire, start up, modernize or expand their business. The loan may be used for investment in the form of capital, fixed assets, start up costs or working capital.

Unlike most financial institutions, we are not a formula lender. Instead we assess every business venture on the basis of its own merit. Community Futures has the ability to explore financing for businesses that are unable to secure funding from traditional lenders. In some cases we may be prepared to consider a position of higher risk than other lenders. Our interest rates start at 2% above the prime rate, and depend upon the level of risk involved. The goal of our loans program is to get your business to a point where you are bankable.

We offer:

- Youth loans from \$5,000 to \$15,000
- term of 1 - 3 years
- interest rates starting at prime + 2%
- ongoing support and business counseling
- individualized consideration
- limited security requirements

Loan Criteria

Clients must explore traditional financing services first. Should bank financing not be available, or not fully meet the clients needs, a RCCFDC Youth Business Loan may offer a viable business financing option. Applicants who require more than \$15,000 in financing are also encouraged to also consider a Canada Youth Business Foundation (CYBF) loan. Visit www.cybf.ca or contact Enterprise Renfrew County in Pembroke at 613.735.8224, in Renfrew at 613.432.6848.

We take the following into account when you apply for assistance:

- economic viability of the business
- management skills and abilities
- client character including credit history
- ability of the business to repay the loan
- creation or maintenance of jobs
- environmental factors
- business location (must be located in Renfrew County)
- the Youth applicant must be the majority shareholder and have decision making powers, or in the case of two entrepreneurs, joint decision making powers



Youth Business Loans - Application Process

1. Contact the Business Development Officer (BDO) at 613.735.3951 ext 223 to discuss your financing requirements and to obtain a complete copy of the Loan application guide, including the Loan application and Personal Net Worth Statement.
2. Develop a business plan, including 3 year financial projections. Processing time of applications can be directly influenced by the quality of the business plan and information provided. The more information provided to the BDO (Business Development Officer), the higher the quality of the application and the BDO's ability to provide the RCCFDC Investments committee with complete and accurate information.
3. Refer to the application checklist for additional information that should accompany your application.
4. Submit your completed package to the BDO.
5. A credit check will be conducted on all applicants.
6. Supply any additional information that is requested by the BDO.
7. A decision will be made based on the strength of your business plan and cash flow statements, your ability to repay, the creation or maintenance of jobs and the impact on long term growth for the community. If your loan has been approved you will be contacted and will receive a "Letter of Offer", outlining the terms and conditions of the loan.
8. Upon acceptance of the Terms and Conditions set out in the offer, we will commence preparation of legal documentation required. Applicants are responsible for any direct costs associated with the legal document preparation by RCCFDC's corporate lawyer.
9. Once the security documents are completed, we will be in a position to disburse the funds.

Timeline

Items 1 to 7 take approximately 2 weeks to one month to complete. Items 8 to 9 take approximately 1 to 3 weeks to complete. If you do have a specific time frame, make sure it is communicated to the BDO and we will try to accommodate your request.

Youth Loan Application Document Checklist

The following documents are needed to process your loan request. Please complete the Loan Application and Personal Net Worth Statement and attach all of the following documents:

Application for Financing

- Completed application (signed)
- Business plan
- 3 year financial projections (Income statement and Balance sheet)
- If purchasing land or building, a signed Offer to Purchase
- Other information

For existing businesses, please also attach:

- The past 3 years financial statements and/or personal income tax returns (including the "Statement of Business or Professional Activities")
- List of your current Accounts Payable and Accounts Receivable
- Detailed listing of equipment and inventory (owned or to be acquired)
- A copy of the Articles of Incorporation, if a corporation

Personal Net Worth Statement

- Signed Personal Net Worth Statement for each applicant (partner(s) and/or spouse)
- Proof of assessment value of home (e.g. MPAC Property Tax assessment)
- A copy of your investment statement indicating the balance if you reported income (savings bonds, RRSP, etc.)
- Personal income tax returns for 3 years prior
- Other information

Other

- Résumé(s)
- Confirmation that conventional financing was not available for this project, if possible (e.g. letter from bank)

This list covers all initial documents required. Once your application is received and assessed, you can be contacted if additional information is required. If you have any questions or concerns please do not hesitate to contact me at 613.735.3951 ext. 223, or send an email to jhe@bellnet.ca.