

Micro Business Loan Program

Partnering with area entrepreneurs



The Lubbock Area Foundation Micro Business Loan program offers loan amounts from \$500 to \$5000 with terms up to 36 months. The interest rate varies with the type and terms of the loan.

Purpose

The Micro Business Loan Program provides business education and guidance and funding for those starting or expanding a small business. A small business is defined as a business venture having five (5) or fewer employees. This total includes the owner(s) of the company. The program exists to provide a source of funding for those entrepreneurs who have been unable to secure financing through more traditional means. It provides more flexibility in the areas of collateral, credit history, and length of business history.

Eligibility & Qualifications

The applicant's family income must not exceed the income guidelines on page 4 of this application. The applicant must be a U.S. citizen or legal residency, and must provide a minimum of 2 years tax returns beginning with the most recent filing year as well as W-2 forms for those years. The applicant must demonstrate the willingness and ability to repay the debt. Collateral may be required to be pledged as security, and the applicant must be willing to provide a personal guarantee for the loan. The credit files of the applicant may reflect an unsatisfactory record which the applicant may be required to explain fully. The proposed or existing business must be located within the following counties: Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lubbock, Lynn, Motley, Terry and Yoakum. The proposed business must demonstrate the potential for business success.

The Process

Those interested in being considered for a loan through the Micro Business Loan Program must submit a Lubbock Area Foundation Micro Business Loan Application and complete the prescribed Small Business Development Center (SBDC) business curriculum. Applicants are required to provide a business plan with financial projections and a current personal financial statement.

What is the Lubbock Area Foundation?

Created in 1981, the Lubbock Area Foundation, Inc. is the community foundation serving the South Plains of Texas. Its primary purpose is to attract and manage named endowments. Grouping these endowments under the administrative umbrella of a single public charity means that endowments of all sizes benefit from professional management and reduced overhead achieved through economies of scale.

The Foundation is designed to save local philanthropists both time and money. Through it, donors - whether they be individuals, families, businesses or civic organizations - can make gifts, current or deferred, to benefit the Lubbock area.

(CONTINUED ON REVERSE)



Eligible Uses of Funds

- Building Improvements
- Working Capital
- Inventory
- Equipment
- Other Uses (as approved by the Lubbock Area Foundation)

Ineligible Uses of Funds

- Refinance of Existing Debt
- Loans for Speculative Purposes
- Use of Loan as Down Payment for Other Loans
- Any business type that is restricted under the Small Business Administration Guidelines (i.e. nonprofit organizations, gambling establishments, religious organizations, pyramid sales plans, incarcerated applicants, on probation or parole.)
- Other ineligibilities may apply

Application Procedure

1. Interested persons must complete this application and return it to the Foundation office. Proof of citizenship/legal residency may be requested. Application forms are due the 15th of the month before the SBDC Business Development Course begins.
2. The Foundation will review the application forms and refer those applicants it believes most likely to fulfill the goals of the Micro Loan Program to the SBDC Micro Loan Business Development Course. Referral does not guarantee that the applicant will get a loan. Applicants should contact SBDC at 745-1637 to enroll in this course which must be successfully completed by the applicant. The SBDC will help applicants complete a business plan.
3. Completed business plans, projections, a letter of course completion from the SBDC, personal financial statements and other required documents must be submitted to the Lubbock Area Foundation after completion of the course and will be reviewed by the Foundation's Micro Loan Committee.
4. Applicants accepted into the program will be referred to a participating bank to apply for a loan through the bank's regular loan application process.
5. The bank will process and service the loan. If the loan is not approved, the applicant will be notified by the bank directly.

"This (micro-finance) is not charity. This is business: business with a social objective, which is to help people get out of poverty."



MUHAMMAD YUNUS –
2006 NOBEL PRIZE WINNER

Lubbock Area Foundation Micro Loan Business Development Course Dates

Lubbock Area Foundation Micro Business Loan Applications are due the 15th day of the month preceding the course date.

2009

June 23, 6 – 8 pm
June 25, 6 – 8 pm

September 22, 6 – 8 pm
September 24, 6 – 8 pm

The Lubbock Area Foundation Micro Business Loan Program is offered with the assistance of other strategic partners. For more information contact Kathy Stocco, Executive Director at:

Lubbock Area Foundation, Inc.
1655 Main Street, Suite 202
Lubbock, TX 79401
Phone: (806)762-8061

Partner Organizations:



City Bank
611 University Ave.
Lubbock, TX 79401
Phone: (806) 687-2265



**HIGH PLAINS
COMMUNITY CAPITAL**
3212 Ave. Q
Lubbock, TX 79411
Phone: (806) 771-3742



Small Business
Development Center (SBDC)
2579 S. Loop 289, Suite 114
Lubbock, Texas 79423
Phone: (806) 745-1637



Lubbock Area Foundation: Micro Business Loan Application - 2009

Name: _____

Telephone Number(s): _____

Address: _____

City: _____ State: _____ ZIP: _____

Employer: _____ How Long Employed: _____

Salary per month: Gross (before taxes) _____ Net (after taxes) _____

Other Sources of Income (optional) _____

Applicants must not exceed the income guidelines below:

Number in Family:	1	2	3	4	5	6	7	8
	\$29,600	\$33,850	\$38,050	\$42,300	\$45,700	\$49,050	\$52,450	\$55,850

Release: You agree that LAF may use your story concerning your participation in the Micro Loan program without compensation. This release includes but is not limited to your name, the name of your business, your likeness, voice reproduction, testimonial statement, photographs, motion pictures, digital images, video/DVD, audio recordings, transcripts of audio comments and written comments, presented in any format, edited or unedited, quoted directly or paraphrased, in whole or in part, and published or distributed through any medium.

Disclaimer: Approval of the loan application is in the sole discretion of LAF. LAF reserves the right to reject any loan application and to modify or discontinue the Micro Loan program at any time. LAF does not guarantee that you will be approved for a Micro Loan, nor does LAF guarantee any particular rate of interest or other loan terms. Final approval of any loan application is up to the bank with which the application is filed. LAF disclaims any liability for any damages due to the timing of your receipt of loan proceeds or the rejection of your loan application. You agree to indemnify and hold LAF and its agents, officers, employees and volunteers harmless from any liability for loss, damages or claims related to or arising out of your Loan Application and your participation in the Micro Loan program.

Applicant's Signature _____

Return signed form to:

Lubbock Area Foundation, Inc.
1655 Main Street #202
Lubbock, TX 79401

