



Small Business Mobilization Loan
Fact Sheet

- What:** A loan program aimed to:
- Assist owners of Small Business Enterprises (SBE's) with working capital
 - Receive short term, low rate working capital loans
 - Increase the City's utilization of SBE's in city contracting
 - Create and/or retain jobs for Charlotte-Mecklenburg residents
- Who:** Eligible SBE's will meet the following criteria:
- Located in Mecklenburg County
 - Certified for a minimum of (2) two consecutive years
 - Private for-profit
 - Engaged in contracting on eligible municipal contracts and demonstrating a need for working capital for account receivables, acquisition of inventory, and/or materials
- Where:** The program is available city-wide, as long as the funds are used for eligible municipal contracts¹ by an SBE that has two (2) consecutive years of certification
- How:** The City's loan works in connection with the Economic Development Revolving Fund, CDBG and Economic Development Matching Grants and Loan Fund.
- Amounts:** SBE's with eligible municipal contracts can receive a minimum amount of \$15,000 and a maximum amount of \$75,000, or 80% of the contract (receivable) amount, whichever is less. All loans will be secured with the first lien position on assigned eligible municipal contracts. The City of Charlotte may require other security as circumstances indicate.
- Interest Rates:** Interest rates will be fixed for the term of the loan, and will be tied to the Prime Rate + 1% (as published by the *Wall Street Journal*) at the time of loan closing.
- Terms:** Principal repayment of the City's loan is deferred until payment on the assigned eligible municipal contract has been received. Interest-only payments are due monthly on the outstanding principal balance. Payments from a prime contractor for all work associated with the City's loan agreement are required to be made jointly payable to the City and to the SBE.
- Application:** Applicant applies for the business loan directly to the City of Charlotte.
- Applicant will be required to provide:
 - Two letters of recommendation from prime contractors
 - Two letters of recommendation from professional references²
 - A \$150.00 application fee must be submitted with the loan application. Additionally, a non-refundable 1% commitment fee is due upon loan approval. The application fee will be deducted from the commitment upon loan approval. The commitment fee can be deducted from the loan proceeds.
 - A personal financial statement
 - Applicants will undergo credit and background checks. Personal guarantees from all principles will be required.

¹ An eligible municipal contract is defined as an active and/or forthcoming contract with a City of Charlotte agency.

² A professional reference is defined as a business and/or individual that attests to the business character, work ethic and performance.

- Written explanation of past credit issues and summary of action to correct – if applicable
- Sources and Use of Funds statement
- Applicants must be current on all federal, state and local taxes, and in compliance with all City of Charlotte, Mecklenburg County and/or State business/industry license requirements.
- Standard commercial underwriting and loan documentation requirements will apply.
- Applicants who fail to qualify for the loan will be referred to other community partners for financial and/or technical assistance.