

## ***Overview of the Community Futures Lending Process***

1. Contact your Community Futures Office for an interview with the Loans Manager.
2. At the interview the Business Analyst or Loans Manager will discuss your idea with you to determine if the application meets basic Community Futures Lending criteria.
3. If the proposal appears to be in the scope of the Community Futures lending program, the program requirements, application fees, and services will be discussed including:
  - Loan limits – normally up to \$150,000
  - Interest rates & Application fees
  - Business/applicant in the CF region and applicant engaged in the business.
  - Loan terms & fee structure
  - Requirement for owner's equity (usually a minimum of about 10%)
  - Requirement of Insurance
  - Submission of a viable Business Plan & supporting documents
4. The Business Analyst will then discuss the loans approval process including:
  - Role of the Investment Review Committee (IRC)
  - Evaluation is based on:
    - **Character/Credit** – (Credit history, client integrity, management)
    - **Capacity** – (Business Plan, earning capacity, cash-flow)
    - **Capitol** – (Net worth, owners equity, reserves for emergencies)
    - **Conditions** – (Industry, labour, environmental, regulatory issues etc.)
    - **Collateral** – (Quality and value of the security offered for the loan)
    - **Fit to the Community Futures Operational Plan** – (Diversifying the CF region's economy and creating or maintaining jobs)
5. If the proposal appears to be in the scope of the Community Futures lending program, you will be given a complete Loan Application Package, a checklist for the application package, plus additional instructions based on any unique features of the application.
6. Resources and services offered by the CF Office will be discussed and the expected loan turnaround times once a complete application has been submitted.

7. Once the application has been submitted, Community Futures will complete a full **Financial Search on each applicant & spouse** (if applicable), and will conduct its own research into the proposal prior to the loan being submitted to the Investment Review Committee for consideration. Also, in some cases the CF Legal Counsel will complete additional legal and financial searches prior to releasing funds.
8. Upon loan approval by the IRC, all documentation of the loan is completed by Community Futures Legal Counsel and the Loan Clients' Legal Counsel.
9. **All legal fees**, (CF's and Client's) shall be **paid by the Client**.