



# Small Business Loan Program

Gregg Brown  
President & CEO  
South Side Community Federal Credit Union



# Small Business Loan Program



*Funded by the City of Chicago's  
Office of the Treasurer*

- SSCFCU is a not-for-profit, federally chartered, low-income designated (by the National Credit Union Administration—NCUA), community development credit union (CDCU). It is certified as a Community Development Financial Institution (CDFI) by the U.S. Department of Treasury and it operates a HUD certified Housing Counseling program and serves as a Delegate Agency to the city of Chicago.

## **Mission:**

SSCFCU's mission is to equalize access to affordable credit and financial services and to fight poverty by providing meaningful asset-building opportunities, through financial education, savings, investments and community-development lending.

# SMALL BUSINESS LOAN PROGRAM

- **Description:**

Loans range between \$5,000 and \$35,000, depending on length of time in business (\$15,000 for start-ups).

## Terms:

- Application fee: \$25
- Other fees: collateral filing and processing fees could range between 3- 6% of loan amount.
- For contract/purchase order financing, will be Prime + 10.0%, fixed at the time of closing, and will not have a term of more than one year.
- For all other purposes, up to 5 years at prime + 2%

## **Basic Requirements:**

- Business must be a legal entity located on Chicago's south side
- Must be a Credit Union member
- Must maintain \$100 share/savings account balance
- No bankruptcy in last 2 years
- 18 years of age or older
- 10% collateral coverage minimum
- Business training required for start-ups

## **Eligible uses of loans include:**

- Establishment of a new business
- Expansion of an existing business
- Job creation and/or retention
- Purchase of equipment, machinery, supplies or inventory
- Start-up operating costs and working capital

## **Ineligible uses of loans include:**

- Construction or physical expansion of existing operations
- Payment of other loans or consolidation of existing debt
- Repayment of partners or shareholders
- Real estate purchases
- Production or distribution of any illegal substance or activity
- Non-business expenses or activities, investments, or pyramid schemes

## Who can apply?

- "Eligible Applicant" means a business enterprise that, both at the time its Application is submitted and at the time of Loan Disbursement that the business:
  - (a) is located within the South side of Chicago (SSCFCU's service area);
  - (b) has gross annual revenues not exceeding \$5,000,000 per year.
  - (c) is a member of the credit union

**"Eligible Applicant" shall not include:**

- any person or entity that:
  - (a) received direct City financial assistance from any other program within three years before the date of the Application; or
  - (b) is now receiving direct City financial assistance, or is now under a signed contract to receive direct City financial assistance at any time in the future;

- (c) any of the following types of businesses: fast-food chain restaurants, national chain businesses (as defined by Treasurer's Office), branch banks, employment agencies, currency exchanges, payday loan lenders, pawn shops, astrology or palm-reading shops, liquor stores, bars, adult bookstores, massage parlors, hotels, motels, track wagering places, trailer storage facilities, junk yards, or any uses similar to those listed;

(d) any City employee who, during his/her tenure of employment by the City (i) exercises or has exercised any contract management authority with respect to the SBDF Program, (ii) is or was in a position to participate in a decision-making process with respect to the SBDF Program, or (iii) gains or has gained confidential information with regard to the SBDF Program; or

## Application submission

Loan applications must be submitted with all sections of the application complete, signed and dated by the applicant(s). All items indicated on the cover sheet of the application packet must be submitted with the loan application. Incomplete applications or applications missing any of the following documentation will not be accepted:

## ***MEMBER INFORMATION***

- \$25 non-refundable Loan Application Fee
- Signed Small Business Loan Application Form
- Signed Personal Financial Statement (enclosed)
- Proof of Legal Residence (IL ID, Green Card etc.) – for all applicants
- Credit report (SSCFCU will complete) – for all applicants
- 2 years Personal Income Tax Returns – for all applicants
- 2 years W-2's – for all applicants
- Pay stubs covering 1 month of employment – for all applicants
- Proof of rent or mortgage payment
- Employment Verification form
- Credit Statement
- W-9 Form
- 2 months bank statements (personal & business) – for all applicants
- Resume – for all applicants
- Receipt of Training Certificate or Letter (for start-ups only)

## ***BUSINESS INFORMATION***

- 24 Month Cash Flow Projection (actual or projected)
- Business Notes Payable Schedule – for all applicants
- Business Plan (for new businesses only)
- Documentation Itemizing loan proceeds usage (existing businesses)
- Monthly Personal / Business Financial Form – for all applicants
  
- Profit and Loss Statement
- Equity Injection for Business
  
- 2 years Business Tax Returns (if applicable)

## ***LEGAL INFORMATION***

- Documentation establishing business a legal entity  
Sole proprietorship, Partnership, LLC, etc...
- Insurance (Start-up: Quote, Existing: Documentation)
- Vendor's License; other licenses and permits required by type of business
- Lease, Deed or Land Contract for business location
- Co-Signer

For free loan packaging assistance contact one of the **Illinois Small Business Development Centers** listed below:

- **Jane Adams Hull House  
at the Parkway Community House  
500 E. 67t St.  
(773)955-8027**

or

- **Chicago State University  
9501 S. King Drive/BHS 601  
(773)995-3938 or 3602.**

What do we look for?

## The 3 Basic C's of Credit

- Credit
- Collateral
- Capacity

# Credit

While there is no credit score floor, applicants with less than a 600 credit score will be required to provide a personal guarantee.

# Collateral

- Each applicant must have at least 10% in collateral coverage
- SSCFCU will consider auto, equipment, real estate, accounts receivable, cash, and State/Federal contracts as acceptable forms of collateral

# Capacity

- A cash flow assessment will be used to determine an applicant's creditworthiness
- Loan applications will not be approved with debt ratios greater than 45% gross
- For applications for more than \$10,000 in unsecured credit, the maximum debt ratio is 40% gross.

## How to apply:

1. Simply complete a pre-loan application form.
2. If your business qualifies for this loan program then you will be notified within 3 business days to...
3. Complete and submit a full loan application\*

4. Before you submit your application be sure to open a credit union business share account for \$100.00
5. Including an application fee of \$25.00
6. If approved, your loan will be processed within 10-15 days for the date your application is submitted.

Applications are available at South Side Community FCU at 5401 S. Wentworth, Suite 25, Chicago, IL 60609 or downloaded from our website at [www.southsidecommunityfcu.org](http://www.southsidecommunityfcu.org)



**South Side  
Community**  
*Federal Credit Union*

For additional information contact

Gregg Brown at **773-548-5500**

or by email:

**[gbrown@southsidecommunityfcu.org](mailto:gbrown@southsidecommunityfcu.org)**



*Wishing you the best of success in all of your business endeavors.*