

PROCESS INSTRUCTIONS: APPLICATION INSTRUCTIONS FOR APPLICANTS



THANK YOU for your interest in the PROPEL District 1 Loan Fund. The following handout aims to answer questions about the loan program, the application and funding process.

TERMS:

Maximum loan amount: \$15,000

Interest rate: 3 percent

Repayment terms: Up to 36 months

Repayment method: ACH withdrawal

Guaranty: An unlimited personal guaranty is required by individuals with 20 percent or more ownership in the business. A personal guaranty is a legal promise made by an individual to repay credit issued to their business using their own personal assets in the event that the business is unable to repay the debt. An unlimited personal guarantee allows the lender to recover the entire loan amount, plus interest and legal fees in instances of default.

Loan review period: Within 30 business days of applicant being notified that their submission has been successfully accepted for review.



Is this fund right for your business?

ELIGIBILITY:

Applicants:

This loan fund is designed for for-profit businesses only. Nonprofit organizations are not eligible to apply. To be considered, applicants must:

- Be in business at least two years prior to application
- Be either a registered business in good standing with the Kansas Secretary of State's Office or a sole proprietor operating with an EIN with all applicable and necessary business licenses and permits as required by federal, state, local and industry guidelines
- Show evidence of sales activity for at least the most recent year prior to application
- Demonstrate company has majority ownership by a socially- and economically-disadvantaged person or persons as defined by the US Small Business Act and electronic Code of Federal Regulations
- Live in or have a business located within low-to-moderate income areas within Wichita City Council District 1 as defined by the US Census Bureau and the Community Reinvestment Act
- Possess a credit score of 540 or above
- Demonstrate an ability to repay the loan, if approved, as evidenced by financial information attested to and/or submitted
- Be current on all financial obligations (i.e. no active delinquencies within nine months of application)
- Not be an ineligible business type (see ineligible business types)

Make sure your business is eligible for funding consideration.



Ineligible business types:

The following businesses are ineligible because of the business type and/or the nature of the goods or services the business provides. Program administrators reserve the right to review and further restrict business-, goods- and services types as ineligible beyond those listed below:

- Businesses that do not meet the applicant criteria
- Non-profits
- Businesses engaged in any illegal activity
- Businesses outside of Wichita
- Passive and/or speculative businesses (i.e., owning, building, managing and leasing residential and/or commercial real estate; private equity firms and hedge funds; research and development)
- Businesses that are delinquent on state and/or federal taxes (i.e. sales-, self-employment, payroll-, unemployment, income-, property, etc.)
- Businesses experiencing bankruptcy within the past seven years
- Businesses whose sales model reflects a pyramid sale distribution plan, network marketing and/or multi-level marketing (defined as: the practice of selling goods or services on behalf of a company in a system whereby participants receive commission on their sales as well as the sales of any participants they recruit)
- Private clubs that restrict patronage for matters other than occupancy
- Businesses performing lending (i.e., banks; financial institutions; pay-day lending; title loan lending; pawn shops; insurance companies; finance companies; factoring and/or debt collection companies; investment companies; bail bond companies)
- Businesses promoting products, performances or experiences that are of a prurient sexual nature
- Religious and/or religious-promoting businesses
- Businesses primarily engaged in political or lobbying activities
- Businesses who are a party within an active lawsuit
- Government-owned corporations; consumer and marketing cooperatives; religious institutions; organizations and institutions that discriminate or harass on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information, or any other characteristic protected by law

Not eligible? - These organizations may have resources that can assist you with growing and developing your company.

- Consumer Credit Counseling Services, Inc., which provides financial counseling and education, www.kscocs.org or (316) 265-2000
- Create Campaign, which activates urban entrepreneurs in Kansas to launch, innovate and grow, www.createcampaignks.com or (316) 361-6915
- NetWork Kansas, which promotes an entrepreneurial environment throughout the state of Kansas, www.networkkansas.com or (877) 521-8600
- South Central Kansas Economic Development District, which enhances and improves the economic vitality, community infrastructure, and housing quality within the region it serves in Kansas, www.sckedd.org or (316) 262-7035
- The Wichita State University Kansas Small Business Development Center, which provides confidential, no-cost advising to help start or grow businesses, www.wichita.edu/research/ksbdc or (316) 978-3193
- Wichita SCORE, which provides free help to small business owners in Kansas, www.wichita.score.org or (316) 269-6273



Here is what you can use the money for:

Eligible Use of Funds

This loan fund is designed to meet short-term and specific business-related needs; as such, the following specifies the allowable uses of funds:

- Office equipment, furniture, fixtures
- Inventory
- Supplies
- Repairs/Renovations
- Marketing/Advertising expenses (e.g., website-related expenses, business cards, signage)
- Software
- Printing
- Postage
- Fees (e.g., licensing, subscriptions, professional memberships, professional services)

Avoid these funding requests.

Ineligible Use of Funds:

- Refinancing existing debt
- Business acquisitions
- Commercial building purchases or other commercial real estate deals
- Acquiring or holding passive investments such as commercial real estate or purchasing securities (i.e., stocks, bonds, preferred shares)
- Lobbying activities
- Repayment of delinquent federal or state income taxes
- Repayment of taxes held in trust or escrow (e.g. payroll or sales taxes)
- Financing non-business purposes and/or financing costs other than what this program deems as allowable uses of funds