



## Brooklyn Park Development Cooperation

### Microbusiness Loan Pilot Program

**Click Here for the Online [Application](#)**

Online application will open Wednesday, Nov. 1st, 2023 at 8:00am

#### Program Purpose:

The Microbusiness Loan is a Brooklyn Park Development Corporation (BPDC) program designed to provide resources to budding businesses. This program can help businesses fund critical projects and build business credit and payment history which is critical when seeking larger investments in the future. Eligible businesses can receive loans between \$1,000 to \$10,000 to businesses at a 2% interest rate with reduced underwriting criteria.

Loan payments will be reported to the credit bureau agencies to help businesses build credit overtime. Failure to pay loan payments on time may negatively impact your credit score and could impact your ability to receive funds in the future.

Applications are accepted on a rolling basis until the funds are no longer available. Eligibility requirements are outlined below. In the event the funds are oversubscribed all unfunded applications will be kept for one calendar year for consideration if a next round of funding is approved by the BPDC.

#### Program:

Small loan amounts range from \$1,000 to \$10,000

There is a 2% interest rate

The maximum term is 5 years – with no prepayment penalty

#### Eligibility Requirements:

- Must be a for profit business
- For businesses with 10 or fewer employees (FTE)
- Have a federal Employer Identification Number (EIN) or Tax Identification Number linked to your business or social security number
- Located in the City of Brooklyn Park, Minnesota
- Registered with the MN Secretary of State
- If home based, registered as a home-based business with the City of Brooklyn Park
- Currently, body art, food, home business, lodging, and rental licenses are the only Brooklyn Park licenses you can renew online.
  - All licensing must be up to date if needed. [For Business Licensing click Here](#)
- Owned by a resident of the 7-County Metro area
- Demonstrate a business need
- Completed [Application](#)

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Note: Franchisees of national chains may be considered eligible if they meet all other stated eligibility criteria. If a franchise is awarded funds, the funds may only be spent at a



Brooklyn Park franchise location.

## Application Documents:

Your application will be considered complete when all of the following documents are submitted:

- Completed Online Application Form
- \*Current Business Plan
- \*Marketing Plan for the current business climate
- Project plan with defined scope including cost estimates or quotes from at least two sources.
- Personal tax return
- If you do not have a business tax return staff will work with you to verify your business location
- \*Business taxes
- \*Profit and loss statements from the most recent two quarters of operations
- \*Business balance sheets showing assets and liabilities.

*\*You will not be disqualified from receiving funding if you don't have all of the above documents. However, you will need to show that you are currently working with a professional service provider towards the completion of the documentation.*

Elevate Business is a hub where business owners can come together to learn through free one-on-one services from trusted consultants and advisors, specializing in legal support, marketing, book-keeping, finance, loan and grant navigation, and more.

Elevate Business offers free services for entrepreneurs, including:

- 25 hours of free business advising
- Peer-to-peer roundtables
- Topic-driven webinars and events
- Regional resources, all in one place

For assistance, visit Elevate Hennepin <https://www.elevatehennepin.org/> or use the following link to [book your 15 min consultation](#)

## Application review:

Applications will be reviewed on a rolling basis as they are received. Staff may ask for additional information as needed to determine eligibility.

## Loan review timeline:

Applications will be reviewed on a rolling basis with the goal of having final funding decisions made no more than two months after receiving an application. Timeline may vary depending on number of applications received, completeness of application, and other circumstances that impact final fund determination.

## Final amount determination:

Amount of funding will be based on project scope and cost estimates presented. Staff may also



consider previous years financials including profits, sales, and existing liabilities when determining a final loan amount.

### Eligible uses for funds (not exhaustive):

- Capital improvements to businesses
- Inventory
- Employee related expenses
- Marketing assistance
- Technology updates including:
  - Hardware
  - Software
  - Subscription based IT related services

### Eligibility for Additional BPDC Funds

Receiving funds from this program may limit borrower’s ability to receive funds from other BPDC or City of Brooklyn Park programs in the future. This loan may not be used in conjunction with another BPDC or City of Brooklyn Park loans to fund the same project.

### Loan Fees:

All loans carry an interest rate of 2% that will be applied monthly over the life of the loan. A one-time fee of \$20 will be required to be paid at loan closing. Additionally, a \$12 fee will be charged monthly as part of the loan to cover servicing fees. These will be covered in the final monthly amount owed by businesses that received a loan.

### Payment:

Payment of the loan will begin one month after loan closing and will be charged on the 1<sup>st</sup> day of every month until the loan is paid off. There is no pre-payment penalty on these loans.

Activity	Standard Pricing
Loan Setup	\$20.00 One-time fee per loan
Standard Servicing Activities	\$12.00 per loan per month