

# DOWNTOWN CHILLICOTHE

## DOWNTOWN CHILLICOTHE MICRO-ADVANTAGE LOAN PROGRAM FREQUENTLY ASKED QUESTIONS (FAQ)

### **WHAT IS THE PROGRAM?**

This loan program is designed to stimulate the growth of existing businesses in downtown Chillicothe by providing micro-loans at a 3% interest rate. The loan amount is up to \$8,500. Loans will be repaid within 24 months. The business must have its principal place of business and its business operations located in downtown Chillicothe, Ohio and must fall within the boundaries of Downtown Chillicothe's purview as stated in the organization's bylaws.

### **WHERE DID THIS FUNDING COME FROM?**

Downtown Chillicothe is a non-profit 501c3 organization which was incorporated in May 2018 and began its program August 2018. Our goal is to work with existing city groups to help revitalize our historic downtown. Our organization provides support to downtown business owners, investors and the community at large, by helping to create an inviting downtown atmosphere, harnessing local economic opportunity, highlighting the uniqueness of the area, encouraging local businesses to market cooperatively and most importantly, creating an encouraging environment for business owners, entrepreneurs, innovators and localists alike. The funding for these grants is supported through a partnership with Build Chillicothe, Inc who is focused on the revitalization and growth of Chillicothe, and through various fundraising activities led by Downtown Chillicothe, Inc.

### **WHAT ARE THE LOAN AMOUNTS?**

Initially, Downtown Chillicothe has allocated funds up to \$8,500 to the Micro-Advantage Loan Program for eligible small businesses.

### **HOW MANY LOANS ARE BEING DISTRIBUTED?**

Downtown Chillicothe will distribute funds up to \$8,500, based on eligible requests.

### **HOW DO I APPLY?**

Download the application found on our website at [downtownchillicothe.com](http://downtownchillicothe.com) and submit a hard copy, along with the additional information via email to [info@downtownchillicothe.com](mailto:info@downtownchillicothe.com).

### **WHEN CAN I APPLY?**

The Downtown Chillicothe Mirco-Advantage Loan Program is currently OPEN.

**IS THERE A COST TO APPLY?**

No. There are no application or commitment fees.

**I HAVE MORE THAN ONE BUSINESS. CAN I FILL OUT AN APPLICATION FOR EACH OF MY COMPANIES?**

Yes, as long as the businesses are legally separate entities (documentation required).

**WILL MY INFORMATION BE KEPT PRIVATE?**

All information collected is used to evaluate your application. All personal and business financial information will be kept confidential to the extent permitted by law.

**HOW WILL I RECEIVE THE LOAN FUNDS?**

Loan funds will be disbursed to the borrowing entity or individual(s) at time of closing.

**WHAT ARE THE KEY LOAN FEATURES?**

- The interest rate of this loan will be 3%.
- No collateral will be required.
- There will be no fees or points.
- The term of the loan will be 24 months.
- Monthly payments will include principal and interest.
- There will be no prepayment penalties.
- Late fees will apply for payments received beyond due date grace period.

**ELIGIBILITY****IS THERE AN AGE REQUIREMENT TO APPLY?**

Yes, the age requirement is 18-years or older at the time of application.

**CAN I APPLY FOR A LOAN IF MY BUSINESS IS BASED OUTSIDE DOWNTOWN CHILlicothe's BOUNDARIES?**

No. Only businesses operating within the boundaries of Downtown Chillicothe with a storefront presence or office within downtown Chillicothe may apply.

**WHAT ARE THE ELIGIBILITY CRITERIA?**

Downtown businesses must meet the following criteria to be considered eligible for a micro loan.

- Your business must have been in operation one year prior to the date of application.
- Your business must be registered with the State of Ohio.
- Eligible businesses are required to comply with all state, county, and local requirements.

**IS THE LOAN PROGRAM AVAILABLE TO NONPROFITS OR CHARITIES?**

No. This program is only open to for-profit, independently owned businesses.

**IS THERE ANY INELIGIBILITY CRITERIA?**

- County, State & Federal-level elected officials and any immediate household members who have an ownership interest in a company are ineligible to apply.
- Members of the Downtown Chillicothe Board of Directors are ineligible to apply.
- Any businesses and owners currently delinquent on any state, local or federal taxes are also ineligible to apply. This includes Real Property taxes.
- Credit bureau concerns will be considered by the committee during the review process.

## **ARE THERE ANY REQUIREMENTS REGARDING HOW MICROLOAN RECIPIENTS CAN SPEND THE LOAN MONEY?**

Yes. Loan funds shall be used for technology upgrades, equipment, leasehold improvements, or capital investments. These funds may not be used for payroll expenses, operating expenses, lease payments, or utilities.

## **CAN I USE THE MONEY TO PAY OFF MY SMALL BUSINESS LOAN?**

No. This loan must be used to fund a new project.

## **DOES MY BUSINESS NEED TO BE OPEN TO APPLY?**

Yes, your business must be operational for one year or more, and currently open to the public with posted business hours.

## **APPLICATION**

### **WHAT DOCUMENTS AND INFORMATION DO I NEED TO APPLY?**

- Background information on the business including years of operation and what you sell or services you provide.
- List uses of proceeds, reason this project is important, timing of the project, total costs of the project and quote (if applicable).
- Most recent Year-end Financial Statements for the business that is applying for the loan.
- Operating Agreement for Entity, if applicable.
- Legal document to confirm EIN/SSN (tax return, EIN letter, SSN card)

### **HOW DO I SUBMIT MY APPLICATION**

Please email the application form and the supporting documentation to [info@downtownchillicothe.com](mailto:info@downtownchillicothe.com). Please write "Downtown Chillicothe Loan Application" in the subject line.

### **CAN I EDIT MY APPLICATION AFTER SUBMITTING IT?**

You can save and edit your application as many times as needed before submitting. We recommend that you take your time reviewing your application to ensure all information is correct before submitting. Once the application has been submitted, any new, updated, or corrected information should be immediately made known via email or phone call.

### **IS IT "FIRST-COME, FIRST-ELIGIBLE SERVED", OR WILL YOU WAIT UNTIL THE APPLICATION DEADLINE BEFORE YOU START TO MAKE DECISIONS?**

**Applications will be reviewed monthly. Downtown Chillicothe has set aside funds for this program. Availability of funds will depend on outstanding loans. Any applications that are received when no current funding is available will receive immediate notice of expected availability, for reconsideration.**

### **WHO WILL REVIEW MY APPLICATION & DECIDE IF I WILL RECEIVE THIS LOAN?**

Applications will be reviewed by a loan committee consisting of members of Downtown Chillicothe's Economic Vitality Committee and members of Downtown Chillicothe's board of directors.

### **DO I NEED TO PAY THE MONEY BACK IF I RECEIVE THE LOAN?**

Yes. This is a loan and not a grant. On-time monthly payments, as well as full payment with interest, are expected and required. There will be late fees and/or interest charged at a rate established no lower than 5% if the loan payments are not made on time and the balance is not paid in full by the maturity date.

### **WHEN SHOULD I EXPECT TO HEAR BACK AS TO WHETHER OR NOT MY BUSINESS WILL RECEIVE FUNDING?**

A best effort attempt will be made to make loan approval decisions within fifteen (15) business days following each application received.

**IF I RECEIVE THE LOAN, WHEN WILL THE MONEY BE MADE AVAILABLE TO ME?**

We anticipate that loan funding will occur within two (2) weeks after loan applications have been approved.

**STILL HAVE QUESTIONS?**

Please contact us at [info@downtownchillicothe.com](mailto:info@downtownchillicothe.com) with any questions. We will return your e-mail promptly.