



## Oconto County Economic Development Corporation

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### What is the Micro Loan Program?

The Micro Loan Program is an Oconto County Economic Development Corporation financing program designed to provide loans to new or growing businesses in Oconto County. The program was created to assist small businesses with financial needs that have difficulty accessing traditional financing. Unlike our Revolving Loan Program (RLF), there is no job creation requirement for the Micro Loan Program. Loan amounts are based on the type of project and needs of the business.

### Who is Eligible?

Any for-profit business located in Oconto County is eligible. Each Applicant is expected to have good character, strong commitment to their business idea, signs of feasibility and economic viability, and a credit history to suggest a reasonable assurance that the loan will be repaid. The applicant should have some management skills or relevant industry experience to support the project's purpose. Eligible applicants cannot have annual sales over \$1,000,000 over the past two years and must have fewer than 25 employees. Private funds must be invested, but there are no minimum matching requirements.

### Use of Funds

Loan funds can be used for working capital, inventory purchases, machinery and equipment, furniture, fixtures, supplies, leasehold improvements, building renovation/rehabilitation, real estate acquisition, and natural disaster recovery.

### Loan Information

**Loan Amount** - Loan amounts are subject to the availability of program funds; with a minimum loan of \$1,000 and maximum loan of \$5,000.

**Interest Rate** - The interest rate is 2.0% fixed interest rate for the term of the loan.

**Term** – The term is determined by the Loan Committee, but will not exceed three (3) years.

**Repayment** – A monthly amortization and repayment schedule of interest and principal will be developed.

**Prepayment** - There will be no prepayment penalties.

**Collateral** – Security is required and will usually take the form of a security interest in all of the applicant's assets. Real estate, equipment, inventory and receivables are common assets pledged.

## **Micro Loan Application**

Applications may be submitted at any time and will be processed in the order received. Your application should include the following items:

**Application Form**- Information on the project itself (sources and uses of funds), a documentation of need, and other information.

**Business Plan** - Includes company information, history, project summary, and a discussion of the business industry, sales, markets and competition.

**Information on Management** - Resumes and personal financial statements of management.

**Financial History** - Two (2) years historical financial statements (profit and loss and balance sheets) and/or personal tax returns.

**Financial Projections** - Balance sheet/profit and loss statement projections for two years from date of application.

**Verification of Private Funds** - Documentation verifying private funds being used for the project.

**Review Process** -The loan application review will include the following steps:

**Preliminary Review** – Paul Ehrfurth, OCEDC Executive Director will review the application for completeness and eligibility.

**Formal Review** - The OCEDC Micro Loan Committee will formally review all applications, and if appropriate, make a recommendation to the Oconto County Economic Development Corporation Board of Directors for consideration and final approval of the loan. During the review process the application will also be reviewed by the USDA-Rural Development, a source of the funds.

**Time Frame** – Every effort will be made to expedite the review and approval process. However, applicants should expect the process to take approximately 60-90 days from application to approval.

### ***For more information contact:***

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