

Business Lending Program

Women's Enterprise Centre offers a business Lending Program for established and aspiring women entrepreneurs. We offer loans to a maximum of \$150,000, repayable up to 5 years.

1. ELIGIBILITY

To be eligible for Women's Enterprise Centre's Lending Program, you must be:

- A woman (or women) who owns and controls at least 51% of a business that is located in British Columbia (or, a wife and husband who each own and control 50% of the business)
- A Canadian citizen or landed immigrant
- A resident of British Columbia
- In good standing with Women's Enterprise Centre on any existing financing (if you are a current loan client)

2. INFORMATION REQUIRED

Women's Enterprise Centre requires the following minimum information from all loan applicants:

- Completed Women's Enterprise Centre application for all borrowers - this includes all business partners and guarantors
- Non-refundable loan application fee of \$75 (not required for existing WEC loan clients)
- A business plan for start-ups / expansion or turnaround plan for existing businesses
- Resumes for all partners and key staff

We will also require additional information to complete our initial assessment, including:

- Legal documents such as articles of incorporation, shareholder agreements, purchase agreements, lease agreements and/or franchise agreements
- Up-to-date financial statements for existing businesses
- Monthly projected cash flow statements for two years

You should also be aware that we perform a credit check on all borrowers and co-borrowers. We may not be able to process your application until all of the above information has been received.

3. LOAN APPLICATION PROCESSING

Once all the information required for an application has been received, the application will be given to a Women's Enterprise Centre Business Advisor for review and assessment.

The Business Advisor will generally contact you within five working days of receiving your completed application to discuss any questions or concerns regarding the venture and the information provided by you. At this time, you may be asked to supply additional information or conduct additional market research. If your application is declined at this time, we will discuss our decision with you. You will also receive a follow-up letter for your files.

If all information requested has been provided and the Business Advisor feels that you have substantially met Women's Enterprise Centre's program criteria, your application will be reviewed in more depth and a final decision will be made. Your Business Advisor will contact you by telephone to discuss the final decision. The only fee Women's Enterprise Centre charges on an approved loan is 1% of the total loan amount.

The length of time it takes to process your application depends mainly upon the completeness of the information provided in the original application package and the time it takes you to provide any additional information. On average, the process takes four weeks so give yourself enough time. For this reason, our loans program is not suitable for emergency funding.

4. EVALUATION CRITERIA

In reviewing loan applications, Women's Enterprise Centre uses the following general criteria:

1. Viable Business Idea

Women's Enterprise Centre expects applicants to submit a detailed and thorough business plan, incorporating:

- Direct market research confirming demand for your product/service
- A monthly cash flow forecast for a minimum of twenty-four months
- Pro-forma balance sheet
- Historic financial statements for at least the past two years (existing businesses only)

For detailed information on our expectations of your business plan, refer to Women's Enterprise Centre's document "[How to Write an Effective Business Plan](http://wec.ca/WriteBusinessPlan)" (wec.ca/WriteBusinessPlan) or contact Women's Enterprise Centre for assistance.

2. Management Knowledge and Experience

It is not necessary to have owned a business previously, but you must be able to demonstrate that you have acquired all the skills needed to operate and manage a business successfully.

These skills may have been gained through work experience, education, volunteer positions or personal background.

3. Equity Contribution – minimum of 25%*

Women's Enterprise Centre expects loan applicants to personally invest in their business. This investment demonstrates commitment and mitigates the risk associated with debt. Research has shown that businesses that have significant equity from their owners have a greater probability of success.

We therefore require all applicants to personally contribute in their business in the form of cash and other assets that will be used in the business, such as computer hardware, machinery, inventory, etc. to the extent of at least 25% of total debt.

4. Security/Collateral – 30% to 100%*

Women's Enterprise Centre takes security to the maximum extent possible given an individual's circumstances. Generally, Women's Enterprise Centre requires applicants to provide security for any loan at 30% of the amount requested; however, you may be eligible for an unsecured loan of up to \$50,000 under our Equal Access to Capital Loan Program.

Assets used to secure a loan can include cash or **non-RRSP** investments and/or business or personal assets such as equipment, vehicles or property (depending on age and condition). Unfortunately, we are unable to use inventory or leaseholds as security. Women's Enterprise Centre may require an appraisal of any assets offered as security.

Please be aware that, generally, Women's Enterprise Centre will only accept those assets that you own free and clear, with no existing liens against them. A qualified co-signer or guarantor can help where security is limited. On all loans, we will ask for your personal guarantee. We also recommend you consider obtaining life insurance to the value of the loan. We accept both business and personal assets as security for our loans.

5. Credit History

Women's Enterprise Centre does evaluate each applicant's credit history. Applicants will be given the opportunity to explain any factors that they feel have contributed to a poor credit history. Women's Enterprise Centre is unable to provide financing to any individual with an outstanding judgement/collection against her or any individual who has not been discharged from or incurred more than one bankruptcy.

* Exception may be made if the applicant can demonstrate that there is significant equity in the asset.

5. INELIGIBLE PROJECTS

If a project falls in one of the categories below, it is not eligible for Women's Enterprise Centre financing:

- The business is not 51% owned and controlled by a woman or women
- Any business in which the owner does not have operational control over important aspects of the business (this may include some franchises)
- Any business for which the majority of gross revenues do not come from direct sales of the business's products or services (e.g. multi-tiered projects, speculative investments)
- The product or service provided is potentially degrading to women or men, illegal or considered immoral
- Any projects that support businesses that do not or will not operate on a for-profit basis
- Refinancing of existing debt from any other lender
- Loans for which secondary financing has not been secured
- Projects in the pre-start-up phase for which seed capital is required

6. BENEFITS OF THE WEC LENDING PROGRAM

Women's Enterprise Centre's Lending Program is a unique service that offers a number of benefits for entrepreneurs. Even if your application is not approved, all eligible applicants will receive feedback and the opportunity to receive ongoing counselling support from a qualified Business Advisor. Those entrepreneurs who are accepted into Women's Enterprise Centre's Lending Program receive the following benefits:

- Ongoing business counselling support from a highly qualified Business Advisor
- Access to the business expertise of the entire Women's Enterprise Centre team
- Flexible repayment terms
- Complimentary access to Women's Enterprise Centre's publications and business training courses
- Complimentary one-on-one or group Mentoring Program suited to your individual industry

If you have any other questions regarding Women's Enterprise Centre's Lending Program, please call us at 1.800.643.7014 or visit our website at womensenterprise.ca.