



Loan Details

On behalf of Industry Canada, we provide term loans and loan guarantees to small businesses that have difficulty finding financing elsewhere on reasonable terms.

Loans up to a maximum of \$250,000.00 can be made to businesses in Perth County that will be creating new jobs or maintaining existing jobs in the local area. Perth CFDC is not in competition with local financial institutions, but rather is a complement to them when regular financing is either insufficient or not available for their client.

Usage of Funds

Financing can be used for the purchase of fixed assets, leasehold improvements, inventory or working capital.

Application Process

Applicants must complete a business plan that proves the viability of the operation. Past financial statements (if applicable), as well as projections, must be submitted with the application. Business plan outlines and loan applications are enclosed with this package or can be obtained at our office.

A successful application must demonstrate:

- the ability to repay the loan;
- some experience or qualifications to own, manage and operate a business venture;
- adequate security which may include a combination of business and personal assets;
- a firm commitment to the business, including a personal investment of funds and resources;
- a well thought out business plan.

The following conditions apply:

1. The business must be located in Perth County;
2. The business must create or sustain employment in Perth County;
3. The applicant must have good credit history.

All applications are reviewed by CFDC staff and then reviewed for final approval by the Loans Committee. In general, a time frame of about 30 days or more may be required to complete the application process.

Fees

All approved loans are subject to an application fee of \$100.00 added to the amount borrowed and advanced.

Interest Rates

Interest rates are based on Libro's Prime + 1% which we call CFDC Base. Rates are then set from 3 to 5% over CFDC Base. The actual interest rate is reset each year to reflect the new prime plus figure on the anniversary date of the loan. With 1 year of uninterrupted loan payments, the CFDC reduces the interest by 1% for balance of loan, unless payments are missed and then the original interest rate is returned into effect.

Terms of Payment

Loans are subject to a maximum 5 year term with a maximum amortization period of 15 years. All loans are subject to a regular monthly payment and are open to repayment in full at any time.

For more information, please contact :

JD Graham
Lending Manager
jd@perthcfdc.ca