

Microfinancing at AWCCU Financial

Purpose:	To assist small businesses access credit to start/grow their business
Loan limits:	\$1,000 - \$10,000 per member
Loan types:	Operating lines of credit and term loans (maximum 5 year amortization)
Target market:	Entrepreneurs with great ideas
Anticipated use of funds:	To fund working capital, production, tools and equipment, retail or office space, research, product development, marketing or other business related expenses

Eligibility criteria:	Members must be: <ul style="list-style-type: none">• 18+ years of age• Legal resident in Canada• Work and live in areas serviced by AWCCU Financial• Operate a legal, seasonal, full time or part time business• Personal income and assets are both below \$50,000*• For loans over \$5,000 Beacon Score is over 620• Business member to open a business banking account with AWCCU Financial
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Paperwork required:	The documents that we require to see upfront would include: <ul style="list-style-type: none">• Business plan and/or business summary• T1 and NOA for all owners for the last 2 years• 24 months projected cashflows• Personal net worth statement• Photo identification• AWCCU Financial Business lending application• Completion of Business Fundamentals Training provided by the BACD
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Underwriting considerations: How do we assess risk?

- Viability of business idea
- Credit score and personal net worth of business owner
- Information in documents submitted

*Small business owners that enjoy assets and income over \$50,000 can avail of our Small Business Financing program. Please contact us for more details.

Ongoing underwriting: On an annual basis, AWCCU Financial would review

- Proof of income from business and/or business owner
 - T1 General and NOA
 - Financial statements from business if incorporated
- Credit scores of business owner

Security: General security agreement from registered business if applicable
Assignment of business insurance
Personal guarantee from business owner
Spousal guarantee with Independent Legal Advice if applicable

Pricing: Prime + 3% to Prime + 5% where Prime is 4.1%

Fees: One time application fee: 1% of total facility advanced
Monthly fee: \$20