



# South Lake

## Community Futures Development Corporation



### FINANCIAL SERVICES FACT SHEET

South Lake Community Futures Development Corporation (CFDC) supports business development within the Towns of Georgina, East Gwillimbury and the Township of Brock. South Lake CFDC is a community based not for profit catalyst for small business enterprises operating under a volunteer Board of Directors, representative of the communities we serve.

#### ***SMALL BUSINESS FINANCING***

The new or existing small business enterprise must be located within one of the 3 communities we serve. Financing is available to all industry sectors except adult entertainment and companies that borrow funds to re-lend. Loans cannot be used for personal debt or consolidation purposes.

#### ***TYPES OF LOANS***

We will provide term loans, small operating loans and mortgages on commercial buildings.

#### ***TERMS***

Rates can be fixed for up to 5 years.

#### ***AMOUNT***

Loans are available from a minimum of \$1,000.00 to a maximum of \$150,000.00.

#### ***AMORTIZATION***

Typically, term loans are spread over the useful life of the asset being acquired or the asset being pledged as security with a maximum amortization of 15 years. Term and amortization are flexible and established based on the client's cash flow projections.

#### ***REPAYMENT***

Typically, blended monthly payments of principal and interest (for term loans) are due monthly via automatic withdrawal from the client's bank account. For seasonally based businesses, payments can be modified with interest only periods during off season.

For operating loans, repayment is on demand, but in minimum amounts of \$1,000.00 and multiples of \$1,000.00 thereafter.

#### ***PREPAYMENT***

All loans are repayable in full without penalty, notice or bonus interest.

#### ***INTEREST RATES***

Fixed rate term loans have rates from Prime + 2% to Prime + 6% which is set when loan is approved with terms from 1 to 5 years. The Prime Rate fluctuates and is established as the Canadian Chartered Bank Prime Rate.



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### ***FEES***

Application fee of \$200.00 for approved applications is payable upon first advance.

The fee for dishonored cheques is \$25.00.

### ***SECURITY***

In addition to a charge on assets being financed with loan proceeds, we typically require the personal guarantee of the business owner, a General Security Agreement, life insurance on the business principal through our insurer. Other security could include a mortgage in a secondary position on personal property up to 100% of the appraised or assessed value and fire insurance on assets.

The cost to complete, register and maintain security is paid by the borrower.

### ***TYPICAL APPLICATION REQUIREMENTS***

- Completed business plan including minimum 1 year cash flow forecast
- Fully completed personal net worth statement with back up for major assets, liabilities
- For existing businesses, 3 years financial statements and year to date statements as available
- Confirmation that all source deductions, GST, PST, WSIB etc., are current
- Copy of business trade name registration or articles of incorporation
- Copy of any relevant business license as may be necessary

### ***LOAN DECISION PROCESS***

Applications are reviewed in detail by the Loans Officer and put forward to a lending committee for further review before being presented at the Board for final approval. Typical turn around time can be from 1 week to 1 month.

### ***OTHER BUSINESS RESOURCES***

South Lake CFDC has a growing reference library for business enterprises and a Canada-Ontario Business Service Centre Business Name Registration Workstation. South Lake CFDC staff are available to assist with business plan preparation, review of business initiatives, proposals and counselling on many business topics.

***REMEMBER- Successful businesses begin with good planning and proper financing. We are here to help with both.***