

# FAQ

**Have questions?  
We can help.**



[CTSMALLBUSINESSBOOSTFUND.ORG](http://CTSMALLBUSINESSBOOSTFUND.ORG)

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## WHAT TYPES OF BUSINESSES ARE ELIGIBLE FOR A CONNECTICUT SMALL BUSINESS BOOST FUND LOAN?

To be eligible for a Connecticut Small Business Boost Fund loan, a small business must meet the requirements detailed below. Please note that the pre-application should be completed and submitted by the owner of the business with the largest ownership interest, and that all owners with more than 20% ownership will be required to attest to the information provided.

The following criteria is the minimum required for a business or nonprofit to be considered eligible for a loan under this program:

- // The organization must have operations in Connecticut.
- // The organization must have an annual revenue of less than \$8 million.
- // The business or nonprofit must employ no more than 100 full-time equivalent (FTE) employees (including sole proprietorships).
- // Small businesses and nonprofits must have been in operation for at least one year prior to the date of application. **A limited amount of start-up financing is available for for-profit businesses that have been in business for less than one year prior to the date of application.**

## HOW IS THIS LOAN DIFFERENT FROM OTHER LOAN PROGRAMS?

What makes the Connecticut Small Business Boost Fund truly unique is its network of community lenders. For decades, many of these lenders have been helping local small businesses and nonprofits thrive. They work to meet the unique needs of historically underbanked communities and have years of experience lending to borrowers in these communities.

## CAN I STILL APPLY IF I HAVE RECEIVED COVID-19 RELIEF FUNDS FOR MY SMALL BUSINESS?

Yes. Any COVID-19 relief funds you have received for your small business are separate and do not impact your ability to apply for and receive a loan through the Connecticut Small Business Boost Fund. Businesses and nonprofits are limited to receiving one loan through this program.

## DO I NEED COLLATERAL?

No specific collateral is required to be eligible. You do not need to have access to any specific real estate or equipment. However, a blanket lien will be filed on business assets. Personal guarantees will be required for individuals who own 20% or more of a business.

## DOES MY BUSINESS NEED TO BE IN CONNECTICUT TO APPLY?

Yes, organizations must have operations in Connecticut to be eligible.



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## WHAT IF I NEED HELP WITH THE LOAN APPLICATION?

If you are matched with a lender after completing the pre-application at [CTSmallBusinessBoostFund.org](https://CTSmallBusinessBoostFund.org), they will reach out and walk you through the application process.

Additionally, technical assistance providers are available to support businesses and nonprofits whether it's before they apply or after a loan has been issued. Visit [CTSmallBusinessBoostFund.org/Resources](https://CTSmallBusinessBoostFund.org/Resources) to connect with one of these support organizations.

## WHAT ARE THE LOAN TERMS?

- // 60-month terms for loans under \$150,000
- // 72-month terms for loans between \$150,000 and \$500,000
- // 4.5% fixed interest rate
- // No prepayment penalty
- // No origination fees

## WHAT CAN I USE THE LOAN FOR?

Connecticut Small Business Boost Fund loans can be used for a full range of business needs including equipment, payroll, eligible refinancing, rent and utilities, renovations, marketing and advertising, supplies, and other expenses. You will be required to detail the proposed use of loan proceeds when you complete your application.

## AM I GUARANTEED APPROVAL FOR A LOAN IF I AM ELIGIBLE TO APPLY?

Depending on the number of applications, it is possible that not all applicants will be able to receive a loan. Applications will be reviewed on a rolling basis. In addition, all loans are subject to underwriting review and approval by participating community lenders, who are responsible for their own credit decisions.

Please note that being matched with a prospective lender does not constitute an offer or a commitment to lend. All rates and loan terms may be subject to change.

## WHAT TYPES OF BUSINESSES ARE NOT ELIGIBLE FOR A LOAN

- // Corporate-owned franchises
- // Payday loan stores
- // Adult bookstores, strip clubs or massage parlors
- // Passive real estate investments
- // Firms engaged in lobbying activities or pyramid sales schemes
- // Cannabis businesses or firms engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located
- // Facilities primarily used for gambling or to facilitate gambling
- // Business engaged in speculative activities that develop profits from fluctuations in price rather than through the normal course of trade, such as commodity futures trading or passive real estate investing
- // Any loan applicant currently delinquent or in default on Connecticut Department of Economic Community Development (DECD) or any other state financial assistance or obligations
- // Any loan applicant that is currently delinquent on another similar loan
- // Loan applicants that are delinquent on state or local taxes



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## WHAT INFORMATION WILL BE REQUIRED TO APPLY?

As part of your full loan application, you will need to provide the following documentation to the community lender:

- // Two most recently filed tax returns and/or bank statements, internally prepared financial statements or other proof of revenue, if available and required by the lender
- // Year-to-date income statement for current year
- // Information regarding business owner(s) with more than 20% ownership, including name, address, SSN, EIN or ITIN, phone number, email, percentage ownership, two most recent federal tax returns and photo ID
- // Evidence of legal formation of business or nonprofit entity (e.g., articles of incorporation and bylaws)
- // Copy of lease agreement and/or recent utility bill (if applicable or required by the lender)
- // CT Dept. of Revenue Services, Dept. of Labor and Secretary of State Evidence of Good Standing
- // Evidence of payment of all local taxes
- // Where applicable, valid CT operating license (e.g., childcare, foodservice, liquor, professional services, etc.)
- // Information on planned use of proceeds
- // Other documentation required by the community lender at or after the time of application

## For start-up businesses:

- // Proof of outside income or guarantors to support a debt-to-income ratio of 1.0
- // Documented proof of 10% equity injection or availability
- // Resume showing (a) 2 years of managerial experience; or (b) 5 years of work experience in same industry; or (c) prior ownership of similar business
- // Financial projections (as required by Originating Lender)
- // Business Plan (template available)

A participating community lender will reach out to you to collect the required documentation, conduct any credit checks, and finalize the application review process.

## IS A CONNECTICUT SMALL BUSINESS BOOST FUND LOAN FORGIVABLE?

This is **not** a forgivable loan. The Connecticut Small Business Boost Fund is not associated with the federal Paycheck Protection Program (PPP) or any other SBA lending programs. Connecticut Small Business Boost Fund borrowers will pay back the full amount of the loan with interest.

## WHAT HAPPENS IF I MISS A PAYMENT?

If you do not make a loan payment on time, you may be assessed a late fee at the discretion of the community lender. A failure to pay may result in the loan being declared in default. During the loan application process, your community lender will discuss the full terms of your loan agreement to ensure you understand the details regarding late payment and default.





**Learn even more**

Visit [CTSmallBusinessBoostFund.org](https://CTSmallBusinessBoostFund.org)

Connecticut<sup>®</sup>

Department of Economic and  
Community Development