



Dane County Microenterprise Business Loan Program

The Microenterprise Business Loan Program (MBL) provides loans for startup costs and working capital to assist businesses in Dane County (outside the City of Madison). The goal of the program is to create jobs for low- and moderate-income (LMI) County residents by supporting microenterprise businesses.

- Funding Source:** Dane County Community Development Block Grant (CDGB) funds.
- Qualifying Applicants:** Businesses with 5 or fewer employees (including the owner), physically located outside the City of Madison. The applicant must be the business owner or entrepreneur. Applicants must complete an approved business training program prior to the disbursement of funds (see "Application Requirements" below).
- Uses of Loans:** Start-up expenses such as operating overhead, certifications, licenses, advertising, incorporation; Rent, utilities, insurance; Equipment purchases; Employee training.
- Loan Size:** \$1,500 to \$8,000.
- Loan Terms:**
No loan origination fee.
Maximum Term: 7 years.
Interest Rate: One percent above Prime
Repayment:
0-6 months: No payments due.
6-18 months: Monthly installments of Interest-only payments.
18+ months: Monthly installments of P+I for remainder of term.
- Loan Forgiveness:** *Some applicants may qualify for loan forgiveness after 2 years.*
1. Food and agricultural businesses.
2. Businesses that create two or more jobs.
- Job Requirements:** *One of the following scenarios must apply to satisfy the jobs requirement.*
1. I am eligible for this program because as a new business owner, I am creating a full-time job for myself (or another business owner) and I qualify as a Low-Moderate Income (LMI) County resident per the current HUD income limits; OR
2. I will create at least one job to be held by or available to LMI persons within 12 months of the award contract date.
- Application Requirements:**
- Schedule a meeting with OED staff prior to submitting an application to review application requirements and project eligibility.
 - Applicant must demonstrate significant effort toward attaining the knowledge, skills, and abilities necessary to successfully implement a new business (or expand current business). This can be achieved by completing coursework or a training program with an approved partner organization that will assist the new or micro-business in conducting a market analysis; preparing a business plan; and undertaking the steps necessary to bring their business idea to fruition. Refer to MBL manual for a list of qualified organizations.

Selection Process:

- Submit MBL application.
- Staff review and underwriting.
- CDBG Commission review and recommendation.
- Execution of contract; disbursement of funds.

For more information:

Peter Ouchakof, (608) 283-1441
Ouchakof@countyofdane.com
Dave Phillips, (608)266-4006
Phillips.dave@countyofdane.com