

BURLINGTON REVOLVING LOAN PROGRAMS

Frequently Asked Questions

When will I know if I'm getting the loan?

The entire internal review and loan underwriting process can take up to two months. During the first month, your Part I application will be evaluated, and you will be notified within a month from submission of a completed application, as to whether you have been selected to proceed with Part II. In the second month the loan underwriting committee, which meets monthly, will review and potentially underwrite your loan. Following this meeting you will be notified of the result and possible next steps.

Do I need to have a business to apply for these loans?

While you do not need to have a business currently operating (startups are welcome to apply), you must have a business registered with the State of Vermont and clearly demonstrate how the loan will help the startup or relaunch of your business.

I'm a startup and haven't registered my business. Can I apply?

A copy of your Vermont business registration is a required document for your application, and it demonstrates your commitment to the startup of your business. If you have yet to register, please do so before applying for these loan programs.

I don't live in Burlington but I vend primarily at Burlington markets. Am I eligible?

Due to the funding source, these loans are for Burlington businesses only. If you live outside of Burlington but vend in Burlington, more than 50% (a majority) of your business operations must take place in Burlington to be eligible for these loan programs. Your eligibility as a Burlington business will be determined by the Loan Review Committee.

How do I pay my application fee?

The application fee must be paid by check to Burlington Clerk Treasurer's office in City Hall. Please make out the check to the City of Burlington Business and Workforce Development Department with a memo noting the purpose such as "loan application fee".

What is the administrative fee?

The loan administrative fee, 2% of the total loan amount, serves to cover the significant staff time required for the management of the BRLP as well as fees associated with pulling credit reports.

My business sells alcohol. Can I still apply?

State liquor stores are not eligible for these loan funds, however, breweries, distilleries, wine shops, and other businesses that sell alcoholic beverages, along with other items, are eligible. Please reach out to the BWD team if you still are unsure of your eligibility.

I use QuickBooks. Can I just pull my financial information from there instead of using the financial workbook template?

Yes, as long as you provide the same information requested in the financial workbook template, you may choose to share the same information from your QuickBooks or other software used for your business. Part II of the application process requires a personal financial statement, a business balance sheet, a profit and loss statement showing the two prior years (if applicable), the year to date and three years projections, and finally, monthly cash flow projections for the next 12 months.

I don't have business tax returns. What now?

You are still eligible to apply, but please make sure to fill out the profit and loss statement in the financial workbook template for the past two years as applicable.

When do I need to start my loan repayments?

Your loan repayments are due on the 15th of each month. Depending on your loan closing date your first payment will be due one month or more from closing. Both the loan closing date and repayment start date will be shared with you after successful underwriting and in the loan commitment letter.

I applied to Kiva but they didn't approve me for the full amount I requested. What now?

Kiva conducts their own underwriting process and often will loan smaller amounts than what was requested based on their estimation of a borrower's fundraising capacity. If you do not receive the full loan amount that you requested from Kiva, you have a few options. If the amount needed is \$10,000 or greater, you can choose to apply for the Burlington Revolving Loan Program for loans of \$10,000-\$40,000. If the amount

requested was under \$10,000, you can apply for another Kiva loan at a later date or work with BWD to identify supplementary funding options.