



Small Business Loan Program



Program Description:

Small business owners in the Town of Tonawanda may qualify for a **low-interest business loan** for the establishment, stabilization, or expansion of the business. Funds may be used for any justifiable business purpose including, but not limited to fixed assets, current assets including inventory and receivables, working capital, and refinancing of existing debt.

The Town’s Loan Review Committee will determine the required security for each loan based on such factors as the risk of default, the nature and value of the security, and the position of the loan in relation to other lenders. There is a minimum loan amount of \$10,000. The maximum loan amount will be determined by the Loan Committee. Current program guidelines offer an interest rate of 75% of the U.S. prime rate, currently between **5.5—6.5%**.

Eligible businesses are those with 5 or fewer employees that meet certain eligibility requirements established through the U.S. Department of Housing and Urban Development’s Community Development Block Grant (CDBG) Program.

Some Other Eligibility Criteria Include:

- Taxes must be current.
- The business must either be owned by a low-moderate income person or be creating or retaining low-moderate income employees.
- Not-for-profit entities are not eligible borrowers.

| <u>Household Size</u> | <u>Income Limit</u> |
|-----------------------|---------------------|
| 1 Person | \$52,000 |
| 2-Person | \$59,400 |
| 3-Person | \$66,850 |
| 4-Person | \$74,250 |
| 5-Person | \$80,200 |
| 6-Person | \$86,150 |

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For more information and details, small business owners in the Town of Tonawanda who wish to participate in the low-interest small business loan program should call James Hartz, Director, in the Planning and Development Office at (716) 871-8847 ext. 1.

The Town of Tonawanda does not discriminate on the basis of race, color, religion, sex, national origin, age, marital status, disability, military status, the presence of children, sexual orientation, source of income, gender identification, or immigration and citizenship status in determining admission to the programs we administer.

This program is funded by the U.S. Department of Housing and Urban Development. The Town of Tonawanda is a fair housing community and encourages any women and minority owned businesses to participate.

