



**CITY OF
NORCO**
HORSETOWN USA

SMALL ENTERPRISE ASSISTANCE LOAN (SEAL) PROGRAM GUIDELINES

OVERVIEW

The City of Norco is offering financial assistance to small businesses through its Small Enterprise Assistance Loan (SEAL) Program. The program provides low-interest loans from \$5,000 to \$20,000 to eligible small businesses and non-profit organizations in the City of Norco to assist with physical improvements or serve as working capital. SEAL Program loans can help businesses weather challenging times or expand operations in more favorable economic conditions. The SEAL Program is funded by the City of Norco and lending is subject to availability of funds, offered on a first-come/first-serve basis.

BUSINESS ELIGIBILITY

A business must meet the following requirements to be eligible for the Program:

- Maintain operations within the City of Norco
- Possess an active City of Norco business license
- Have been in continuing operation as a for-profit or non-profit enterprise in Norco for at least two (2) years prior to date of application (this requirement may be waived by the Loan Committee based on special circumstances)
- Employ no more than 25 employees

FINANCIAL CONSIDERATIONS

The following factors will be addressed by the Loan Committee when evaluating an application for a loan:

- Applicant must demonstrate an ability to repay the requested loan
- To protect the City's interests, all loans are to be personally guaranteed
- Participation in other county, state or federal loan programs is not a disqualification, but the Loan Committee may consider the applicant's existing debt service and degree of need in making a determination for funding

TERMS AND INTEREST RATES

Loan terms are flexible:

- 18 months to 5 years (60 months)
- No prepayment penalty

A graduated interest rate is applied:

- First 18 months: interest-free (0%)
- Months 19-36: 2% simple interest
- Months 37-60: 3% simple interest

REQUIRED DOCUMENTATION

For an application to be considered, the following documents must be submitted:

- Completed and signed Application Form
- Copy of valid California driver's license or state-issued identification card
- Copy of valid City of Norco Business License
- Copy of Profit & Loss Statement and/or business tax return from the previous two (2) years
- Business bank statement from previous 12 months
- Documentation (e.g. corporate bylaws, partnership agreement) specifying what person(s) in a corporation or partnership are authorized to sign documents and assume debt on behalf of the business
- Proof of business liability insurance
- Proof of workers compensation insurance, if applicable
- Any additional documentation reasonably requested by the Loan Committee

INELIGIBLE BUSINESSES

The following businesses are not eligible for funding:

- Any business or activity that is not currently in compliance with applicable local, state or federal ordinances or laws
- Any national chain that is not locally franchised

ELIGIBLE USE OF FUNDS

Funds under this program may be used to pay for either:

- Physical improvements (e.g. façade, tenant improvements)
- Working capital

The specific uses of the funds will be considered by the Loan Committee

EXECUTED DOCUMENTS

Approved borrowers will execute the following documents:

- Loan Agreement
- Promissory Note
- All loans will be personally guaranteed by the enterprise owner

APPLICATION

The Application Form can be downloaded from the City of Norco's website at:
<http://www.norco.ca.us/SEAL>

SUBMITTAL

Applications, with all required attachments, must be submitted in one of the following ways:

- In person, during regular business hours, at Norco City Hall (address below)
- Via email at SEAL@ci.norco.ca.us

**City of Norco
2870 Clark Avenue
Norco, CA 92860
ATTN: Administration**

PROCESSING

Applications will be processed in the order they are submitted. No administrative fees or processing charges are imposed. Applications will be reviewed by the Loan Committee within 21 business days. An email/letter will be provided to the applicant regarding the eligibility status. Successful applicants will receive funding within 45 days of approval.

LOAN COMMITTEE

The Loan Committee is comprised of three Members of the Economic Development Advisory Council (EDAC), an advisory board charged with recommending policies that enhance the City of Norco's business community. The Loan Committee provides lending recommendations to the City Manager, who finalizes loan approvals.