

Roscoe Bank will be the authorized intermediary lender participating in BEDC microloan program and have its own lending and credit requirements. Personal guarantee of the business owner will be required along with a credit check for individuals and/or their business to determine character and ability to make payments on time. Minimum FICO score 650 on individuals and personal guarantee.

BEDC microloans can be used for purposes that help small businesses expand and to be used when in need of \$2,500 up to \$10,000 to rebuild, re-open, repair, enhance, or improve one's small business. Minimum loan amount is \$2,500. Prospect must complete a Roscoe Bank application and provide required documents including but not limited to: financial statements, business plans, tax returns, and bank statements. Once loan request is approved and accepted, the approved funds are transferred to the business's bank account to be held at Roscoe Bank. Client is to make regular payments according to the agreed schedule, including principal and interest, based on the loan terms.

Examples include:

- Working capital
- Inventory
- Supplies
- Furniture
- Fixtures
- Machinery
- Equipment

Proceeds from a BEDC microloan cannot be used to pay existing debts or to purchase real estate.

To be eligible for BEDC loan assistance, businesses must:

- Be an operating business
- Operate for profit
- Be headquartered/located in the City of Bastrop or ETJ
- Be creditworthy and demonstrate a reasonable ability to repay the loan

The following types of businesses are ineligible:

- (a) Non-profit businesses;
- (b) Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors (pawn shops, although engaged in lending, may qualify in some circumstances);
- (c) Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds;
- (d) Life insurance companies;

- (e) Businesses located in a foreign country;
- (f) Pyramid sale distribution plans;
- (g) Businesses deriving gross annual revenue from legal gambling activities;
- (h) Businesses engaged in any activity that is illegal under Federal, State, or local law;
- (i) Private clubs and businesses which limit the number of memberships for reasons other than capacity;
- (j) Government-owned entities;
- (k)-(m) [Reserved]
- (n) Businesses with an Associate who is currently incarcerated, serving a sentence of imprisonment imposed upon adjudication of guilty, or is under indictment for a felony or any crime involving or relating to financial misconduct or a false statement;
- (o) Businesses which:
 - 1) Present live performances of a prurient sexual nature; or
 - 2) Derive directly or indirectly more than *de minimis* gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature;
- (p) Unless waived by BEDC or intermediary lender for good cause, businesses that have previously defaulted on loan assistance financing, loan or credit facility resulting in sustaining a loss in any programs, and businesses owned or controlled by an applicant or any of its Associates which previously owned, operated, or controlled a business which defaulted on loan assistance financing, loan or credit facility which was defaulted and caused to sustain a loss in any programs. For purposes of this section, a compromise agreement shall also be considered a loss;
- (q) Businesses primarily engaged in political or lobbying activities; and
- (r) Speculative businesses (such as oil wildcatting).