



SUPPORTING
WOMEN ENTREPRENEURS
IN BC

Business Lending Program

AN OVERVIEW FROM WeBC

[WeBC](#) offers a business Lending Program for established and aspiring women entrepreneurs. We offer loans to a maximum of \$150,000, repayable up to a maximum of 5 years.

1. Eligibility

To be eligible for [WeBC's Lending Program](#), you must be:

- A woman or women (as stated on your official ID) who owns and controls at least 51% of a business that is located in British Columbia (or, a wife and husband where the woman owns no less than 50% of the business)
- A Canadian citizen or landed immigrant
- A resident of British Columbia

WeBC requires the following minimum information from all loan applicants:

- Completed WeBC application for all owners
- Non-refundable loan application fee of \$75 (not required for existing WeBC loan clients)
- A comprehensive business plan for start-ups or an expansion or turnaround plan for existing businesses
- Background information for all owners which could be a resume or be included in the business plan

We will also require additional information to complete our initial assessment and we will provide a checklist of the documents you will need to submit. Generally they include:

- Legal documents such as articles of incorporation, shareholder agreements, purchase agreements, lease agreements and/or franchise agreements
- Historical financial statements for existing businesses or for the purchase of a business



- Monthly projected cash flow statements for two years
- We perform a credit check on all borrowers and co-borrowers.

2. Loan Application Processing

Once all the required information has been received, the application will be assigned to a WeBC Business Advisor for review and assessment.

The Business Advisor will contact you to discuss any questions or concerns regarding the venture and the information provided by you. This is an interactive process so please be sure you are available after submitting your application. At this time, you may be asked to supply additional information. If all information requested has been provided then a final decision will be made.

If we are not able to provide financing, we will advise you of why your application was declined. You will also receive a follow-up written confirmation for your files.

The length of time it takes to process your application depends mainly upon the completeness of the information provided in the original application package and the time it takes you to provide any additional information. On average, the process takes four weeks so give yourself enough time. For this reason, our loans program is not suitable for emergency funding.

The WeBC disbursement fee on approved loans is 1% of the loan amount. The fee cannot be included in the loan and must be paid separately.

3. Evaluation Criteria

In reviewing loan applications, WeBC uses the following general criteria:

3.1 Viable Business Idea

WeBC expects applicants to submit a detailed and thorough business plan including:

- A monthly cash flow forecast for a minimum of twenty-four months
- For existing businesses, (including the purchase of a business) professionally prepared income statements for at least the past two years and an up-to-date balance sheet.

For detailed information on our expectations of your business plan, refer to WeBC's document "[How to Write an Effective Business Plan](#)" or contact WeBC for assistance.



3.2 Management Knowledge and Experience

It is not necessary to have owned a business previously, but you must be able to demonstrate that you have acquired all the skills needed to operate and manage a business successfully. These skills may have been gained through work experience, education, volunteer positions or personal background.

3.3 Equity Contribution – minimum of 25%*

WeBC expects loan applicants to personally invest in their business. This investment demonstrates owner commitment. Research has shown that businesses that have significant owner equity have a greater probability of success.

We therefore require all applicants to personally contribute to their business in the form of cash and other assets that will be used in the business, such as computer hardware, machinery, inventory, etc. to the extent of at least 25% of total debt.

3.4 Security/Collateral – 30% to 100%

Generally, WeBC requires applicants to provide security for a loan. The value of the security should be a minimum of 30% of the loan amount.

We accept both business and personal assets as security for our loans. Assets used as security on a loan can include cash or and/or business or personal assets such as equipment, vehicles or property (depending on age and condition). Unfortunately, we are unable to use inventory, leaseholds or RRSP-type investments as security. WeBC may require an appraisal of any assets offered as security.

Please be aware that, generally, WeBC will only accept those assets that you own free and clear, with no existing liens against them. A qualified co-signer or guarantor can help where security is limited.

On all loans, we will ask owners for a personal guarantee.

We also have an unsecured loan of up to \$50,000 under our Equal Access to Capital Loan Program. To qualify, the business needs to demonstrate viability and your credit score should be a minimum of 650.



3.5 Credit History

WeBC does evaluate each applicant's credit history. Applicants will be given the opportunity to explain any factors that they feel have contributed to a poor credit history. WeBC is unable to provide financing to any individual with an outstanding judgement/collection against her or any individual who has not been discharged from or incurred more than one bankruptcy.

4. Joint Loan Program With Futurpreneur Canada

WeBC has a joint loan program with Futurpreneur for owners under the age of 40. In this program youth owners can apply for a maximum of \$50,000 from WeBC and receive the following benefits:

- Waive the WeBC \$75.00 application fee
- Reduce our 25% equity requirement to 10%
- Match Futurpreneur's interest rate

5. Ineligible Projects

If a project falls in one of the categories below, it is not eligible for WeBC financing:

- The business is not majority owned and controlled by a woman or women
- Any business in which the owner does not have operational control over important aspects of the business (this may include some franchises)
- Any business for which the majority of gross revenues do not come from direct sales of the business's products or services (e.g. multi-tiered projects, commission, membership or speculative investments such as real estate)
- Any projects that support businesses that do not or will not operate on a for-profit basis
- Refinancing of existing debt (eg credit cards, LOC, taxes owed, other loans)
- Loans for which secondary financing has not been secured
- Projects in the pre-start-up phase, the research and development phase or for which seed capital is required

6. Benefits of the WeBC Lending Program

WeBC's Lending Program is a unique service that offers a number of benefits for entrepreneurs. Even if your application is not approved, all eligible applicants will receive feedback and the opportunity to receive ongoing support from a Business Advisor. Those entrepreneurs who are accepted into WeBC's Lending Program receive the following benefits:

- Ongoing business support from a Business Advisor
- Complimentary access to WeBC's publications and business training courses
- Complimentary one-on-one or group Mentoring Program suited to your individual industry

If you have any other questions regarding WeBC's Lending Program, please call us at 1.800.643.7014 or visit our website at we-bc.ca.

