

Small Business Lending Process

What to expect when applying for a small business loan from Invest Detroit. Each stage is subject to change based on the information provided and responsiveness of borrower.



INQUIRY

Initial interaction between borrower and lender

Borrower contacts organization and/or completes online form and submits business/project details (business plan or pitch deck)

Team member reviews project details

**If the loan request cannot move forward due to the restrictions of our lending tools, our organization may refer the borrower to another organization or service provider.*



APPLICATION

Details about business or project sent to lender

Borrower completes formal application and submits additional documents as needed

Ensure satisfactory alignment with organization's mission

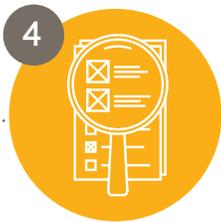


INTERNAL REVIEW

Lender reviews information submitted by borrower

Additional information often required

Internal evaluation of loan request



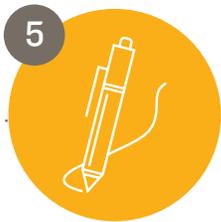
UNDERWRITING/ APPROVAL

Information is analyzed to ensure lending requirements are met

Underwriting team analyzes submitted documents

Loan officer presents loan request for approval

Loan terms presented to borrower for discussion and approval



CLOSING

The process of signing loan documents

Loan documents drafted, client to review

Loan agreement and related documents signed by borrower and lender



FUNDING

When money is given to borrower for business or project

Funds disbursed per loan agreement and disbursement schedule

Borrower responsible for meeting ongoing loan agreement and annual reporting requirements

**Some borrowers may be required to participate in post-closing technical assistance (TA) services.*

What information or documents might you need?

Exact documents needed will depend on the type of loan requested, but the list below will give you a sense of what to expect.

- ▶ Completed Application
- ▶ Business plan, including but not limited to: Organization Chart, SWOT, and Marketing Plan
- ▶ Project/Construction Budget
- ▶ Information on project partners and all funding sources
- ▶ Proof of borrower cash or equity in the project
- ▶ Historical annual business/borrower financial statements (1-3 years)
- ▶ Historical personal and business Federal Tax Returns (1-3 years)
- ▶ Personal and business bank statements (1-3 months)
- ▶ Projected Balance Sheet and Income Statements with Stated Assumptions (1-3 years)
- ▶ Current personal financial statements for individuals guaranteeing the loan
- ▶ Operating Agreement/Bylaws - *Document governing the management of internal operations of the business*
- ▶ Articles of Incorporation
- ▶ General Contractor Agreement
- ▶ Draft lease agreement/LOI
- ▶ Equipment List/Cost Estimate
- ▶ Environmental Report *(if applicable)*
- ▶ Collateral Description with valuation/appraisal *(if applicable)*
- ▶ Accounts Receivable Aging Report *(if applicable)* - *Account balances of customers due to be paid in one year or less*
- ▶ Accounts Payable Aging Report *(if applicable)* - *Account balances owed to suppliers due to be paid in one year or less*
- ▶ Detailed Real Estate Schedules *(as needed)*
- ▶ Architect Renderings/Layout *(if applicable)*

Other important things to know:

 **LOCATION**
City of Detroit

 **LENGTH OF LOAN PROCESS**
6-12 weeks

 **LOAN FEES**
\$5,000 to \$7,500

 **RANGE OF LOANS**
\$50,000-\$750,000

 **APPLICATION FEES**
\$0-\$250 or 1% of loan amount

 **FINANCING USES**
Working capital, startup expenses, leaseholder improvements, real estate acquisition, equipment