

WEDI & You – Information for Loan Applicant

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Vision

WEDI’s vision is that all residents of Western New York can succeed and thrive in a culturally inclusive community.

Mission

WEDI strengthens communities through a continuum of educational and financial resources, removing systemic barriers to economic equity for all Western New Yorkers.

WEDI's Economic Development Team & the Microloan Program



WEDI's Economic Development team provides multi-faceted support to aspiring and early-stage entrepreneurs, helping them gain **access to capital and resources**, address challenges, and incubate concepts. WEDI's designation as a **Community Development Financial Institution (CDFI)** makes us a trusted leader in the community, helping entrepreneurs gain the knowledge, skills, and network needed to build successful, sustainable businesses and lead thriving lives.

WEDI's **Microloan Program** is tailored to meet the needs of entrepreneurs seeking small amounts of capital (**\$500-\$20,000**) and lack access to traditional financial institutions. WEDI is the only lender in Buffalo offering capital to our target population, who might otherwise consider borrowing from predatory lenders. WEDI provides **no-cost technical assistance** (TA) and business counseling throughout the loan application process and after you receive a loan. Since these services are at no-cost to you, we need you to provide us with information about you and your business. This helps us show the positive impact we have on our community and ensure we have adequate funding to continue our mission.

WEDI partners with other regional CDFIs (such as Pursuit and PathStone Enterprise Center) to **offer larger participation or expansion loans** to clients who require greater amounts of capital. These partnerships have helped create a **pipeline** for previously unbankable micro-enterprises to access financing from banks.

WEDI will hold information about you or your business confidential, in strict compliance with law and WEDI policy, unless you give us prior permission to share it. The media is enthusiastic about WEDI and its clients and enjoys publicizing stories of clients and businesses WEDI has supported. These publications help WEDI spread the word about the mission-based work it is doing, and it also provides the businesses being written about with free marketing! We encourage you to authorize WEDI to go public in support of your business.

Eligibility

Eligible Borrowers:

- Must be 18 years or older
- Businesses financed by WEDI must be legal and operated in accordance with federal, state, and local laws
- Must be legally able to open a business bank account at a bank or credit union in the United States
- Must be a resident or business owner located in Erie or Niagara County, NY

Ineligible Borrowers:

- Those serving as board members, committee members, or employees of WEDI; also includes their immediate family (spouses, siblings, parents, or others in first or second-degree relationship by blood, marriage, or law)
- Individuals who have previously defaulted on a WEDI loan agreement
- Individuals with an active judgement being undertaken against them
- Individuals with defaulted federal debt (including student loans)

Ineligible Businesses/Uses:

- WEDI funds cannot be used for residential or commercial property investment (purchase/build-out/maintenance for resale or rental purposes)
- WEDI does not provide financing to any business that is involved in illegal activities or the sale or production of illegal products.
 - WEDI does not provide financing to any businesses that sell cannabis-related products with THC levels greater than or equal to 0.3% (federal law)
- Check cashing, lending, financial, or investment services
- Speculative enterprises
- Pyramid or network marketing schemes.

Returning Borrowers:

- Must have paid back at least 50% of their existing WEDI loan(s)
- Must have \$0 in past-due payments on existing WEDI loan(s)
- Must have uploaded all receipts as proof of use for stated business purposes (SBA requirement)

Denial: WEDI staff, Loan Committee/Sub-Committee, and Board of Directors may reject, deny, or refer applications for any reason. We will do our best to explain the cause of denial, and if possible, the route to eventually granting eligibility.

Loan Products & Specifics

Product Name:	Credit Builder Loan (CBL)	Microloan	
Loan Amount:	\$500	\$1,000-\$9,999	\$10,000-\$20,000
Interest Rate:	7.5%	8.5%	7.75%
Term Length:	One year (12mo.)	Three to five years (36-60mo.)	
Application Fee:	\$10	2% of approved loan amount	
Estimated Funding Date:	Three to six weeks <i>after submitting a complete application</i>		

Loan Application Stages & Timeframe (estimate):

- 1) Application – completed at the borrower’s pace (can be completed in one day; usually takes one or two weeks for borrowers to complete); soft deadlines every two weeks prior to the next Loan Committee meeting [see #3]
- 2) Initial Review – conducted by WEDI’s Underwriter; takes about one week
- 3) Loan Committee Review – client has received proposed loan specifics (decided at the end of the Initial Review period) and completes the Use of Funds form; Loan Committee meets on the second Thursday and fourth Monday of every month; clients are not expected to attend Loan Committee meetings
- 4) Loan Closing & Signing – once approved by Loan Committee, client completes the Loan Closing section of the application. Once completed, WEDI’s Director of Lending contacts borrowers to schedule the signing date in which all borrowers are present to go-over repayment specifics & potential questions
- 5) Loan Disbursement – typically one-to-three business days after Loan Signing
- 6) Post-Loan Requirements – client is expected to upload receipts to prove use of funds for stated business expenses. Repayment is automatic and occurs on the first business day of every month until the loan is repaid. There is **no penalty for repaying the loan early**

Note: aspiring borrowers are expected to be actively working on the loan application (showing progress *at least once a week*), as well as be responsive to contact from your Relationship Manager or WEDI staff (ideally, responding within three business days).

Extended periods (at least four weeks) of inactivity or unresponsiveness are cause for a loan application to be considered withdrawn.

Application Documents & Information:

- Forms & General Documents:
 - Personal & Business Information [demographics; social security number (SSN); business EIN; address(es)]
 - Business Documentation
 - Business Plan

- WEDI Agreements Form – disclose credit history; consent to publicize you & your business
- Small Business Loan Application – all owners with 20% or more ownership in the business must sign on the loan as a guarantor
- Resume
- Lease Agreement (if applicable)
- Personal Financial Documents:
 - Personal Financial Statement (PFS) – self-reported household income, expenses (groceries, rent, etc.) and existing debt (car payment, mortgage, etc.)
 - Include paystubs from the last three pay periods for all reported sources of income (or other proof of income)
 - Individual Federal Tax Returns – previous two years (if applicable)
 - Personal Bank Statements – previous three months; used solely to assess personal cash flow
- Business Financial Documents:
 - Business Federal Tax Returns – previous two years (if applicable)
 - Business Bank Statements – previous three months (if applicable)
 - Business Profit and Loss Statement – previous two years and a Year-to-Date (if applicable)

If you have any questions, please contact your Relationship Manager.
If you are unsure who your Relationship Manager is, please contact Lou Hall:
(716) 393-2860 // LHall@wedibuffalo.org.
We look forward to working with you!