

Craft Council of Newfoundland and Labrador

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Application for Revolving Loan Fund

NAME: _____

ADDRESS: _____ POSTAL CODE: _____

BUSINESS NAME (if applicable): _____

TELEPHONE NUMBER: _____

1. Form of Business (please check one):

_____ Development Association

_____ Craft Council/Committee

_____ Co-op

_____ Partnership

_____ Individual

Other (please specify): _____

2. If you are applying on behalf of a group, please list partners, executive, etc. with telephone numbers:

_____	_____
_____	_____
_____	_____

Amount Requested: _____

Please answer the questions on the following page in as much detail as possible. Remember that the Loan Board will consider such factors as your ability to repay the loan in the time period specified, whether your production levels can realistically absorb the amount of materials you intend to purchase, whether past sales levels justify your anticipated sales at events in which you intend to participate, whether your sources for purchase are the most sensible for you to use. All replies will remain confidential.

3. Outline your project and explain briefly the purpose of the loan:

4. SUPPLIES AND EQUIPMENT PURCHASE (please note in detail, and indicate whether your source is retail, wholesale, special deal or private arrangement)

Description, Source and Cost

5. Describe on a separate sheet how this loan will enable you to generate income to repay the loan. Indicate your marketing avenues for your work, your projected sales and previous sales from each, if appropriate.

6. List two references and include letters from them. One of these references should be a financial one - from your banker, your landlord, or a company with which you have had business dealings on a credit basis. The other should be a professional reference - from an instructor, Craft Council Councillor or staff person, or staff person with the Craft Development Division.

Name: _____

Name: _____

Address: _____

Address: _____

Phone: _____

Phone: _____

If you have not had your work approved by the Craft Council Standards Committee, please do so before applying to the Loan Board.

I hereby certify that I am a member in good standing of the Craft Council of Newfoundland and Labrador and that the above information is true and accurate, and is given for the express purpose of obtaining financial assistance.

The Craft Council of Newfoundland and Labrador is hereby authorized to obtain any information required relating to this application from any sources deemed necessary, and each source is hereby authorized to provide such information.

Signature: _____

Date: _____

Objectives of the Craft Council Revolving Loan Fund

This loan fund, administered by the Craft Council is intended to supply short term financial assistance to Craft Council Members. Applications are normally considered for loans to enable the purchase of equipment and supplies. Applications for other purposes may be considered, if there are funds available.

Loans can be issued as soon as the Board has approved an application and the craftsperson has signed a promissory note.

Criteria for Eligibility

1. Work should meet a high standard of quality. Applicants must have had their work approved by the Craft Council Standards committee.
2. Loans are available to new or established groups or individuals. New craftspeople must include a resume; new groups a short history of the forming and operation of the group.
3. Applicants must demonstrate financial need through references and information given in the application.

Loan Terms

The maximum amount of the loan will be \$2,000.00. However, applications between \$2,000 and \$3,000 will be referred to Council and must be accompanied by a full business plan.

First time borrowers may apply for a maximum of \$1,000 only.

Craftspeople who have already received money from the Loan Board, will be charged 1% per annum interest for their second loan, 2% for the third loan, 3% for the fourth loan etc.

The maximum term of the loan will be one calendar year.

A loan offer is valid for 30 days from the date of approval. If the loan offer is not accepted by this time, the loan offer is to be considered as withdrawn, and the funds re-allocated.

No repayment is required for the first three months after the issue of the loan.

The loan should be repaid during the following nine months. The Board suggests a

payment of 10% of the principal at the beginning of this nine month period, and 10% each month thereafter. The added interest charge for second, third time borrowers will be added to the final payment. In this way, the entire loan will be repaid at the end of the one year period from date of issue.

There is no interest charge if the loan is entirely repaid within that one year period. **After** one year, there will be a simple interest charged on the unpaid balance at a monthly rate of 1.5%.

If a borrower is in arrears on any payment, he or she will be ineligible to participate in any Craft Council sponsored craft fairs, rent space at the Devon House Craft Centre, consign goods to the Craft Council, or participate in any other benefits of membership in the Craft Council.