SBA

(FOR THE BORROWER)

FACT SHEET

FOR AN ECONOMIC OPPORTUNITY LOAN UNDER THE REVISED PROGRAM

The Economic Opportunity Loan Program (EOL) makes financing available to low income individuals and other disadvantaged persons who have experienced lack of opportunity to engage in or expand a small business. Loans are made directly by the Small Business Administration (SBA). Banks are encouraged to participate in the program, and SBA may guarantee up to the full amount of the bank's participation.

There are two types of EOL loans: EOL(I) and EOL(II):

EOL(I) Loans are available to individuals with very low incomes who are unable to provide the basic needs for themselves and their families. Each case will be judged separately. The emphasis under the EOL(I) Program is on sound loans to existing businesses. Applications for new businesses will be considered when they offer business opportunities not ordinarily available to disadvantaged persons or when there is a clear need for this type of business in the community. EOL(I) Loans can be made in amounts up to $15,000 for a term of up to 15 years.

EOL(II) Loans are available for individuals who do not qualify for EOL(I) Loans or other financing and who have suffered from lack of opportunity. Applicants must have sound business plans, management capabilities, and a strong desire to start their own business. Viable existing businesses, seeking funds to grow or expand, may also be financed. Primary emphasis under the EOL(II) Program will be placed on businesses in manufacturing and production, those which stimulate the economy of low income communities, and those which provide other opportunities not ordinarily available to disadvantaged individuals. EOL(II) Loans can be made in amounts up to $25,000 for a term of up to 15 years.

No loan will be made unless the following conditions are satisfied:

1. There is reasonable assurance of repayment of the loan;

2. The amount of the loan, together with other available funds, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

3. The borrower agrees not to discriminate on grounds of race, color, creed, or national origin.

Further Information:

You should assemble the following information in written form to aid this administration, or your Community Action Agency, at the time of interview, in properly counselling you about financial assistance for your needs:

1. A current balance sheet and operating statement, not over ninety days old;

2. A breakdown on how you intend to use the proceeds of the loan;

3. If a new business, we will need the past experience that you have to show your ability to operate the proposed business.

Bank Relationship:

The most valuable asset a borrower can have is good established bank credit. Any supplier seeking credit information contacts your bank. SBA helps you to establish this credit.

It is felt that you should know that the majority of the banks in the State of Oklahoma are familiar with the Economic Opportunity Loan Program.

For further information about this program, contact the Oklahoma Regional Office of the Small Business Administration, or, if it is more convenient, contact your local Community Action Agency to determine when a Small Business Administration interviewer will be in or near your community.

E. Bruce Cafky, Regional Director
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In case Small
Business fails to
supply you with their
handy one pager
note for them OEO
booth. The encouragement
of this type info. on
the distribution of OEO's
has been one of
important contributions
of Seasons'