

The Florida Microfinance Act is designed to help provide Entrepreneurs and Small Businesses in Florida access to credit. There are two programs: **The Microfinance Loan Program** and **The Microfinance Guarantee Program**.

The Microfinance Loan Program

The Microfinance Loan Program, consist of short-term, fixed-rate microloans in conjunction with business training and technical assistance to Entrepreneurs and Small Businesses.

Borrower Eligibility and Conditions

To be eligible for a microloan, an entrepreneur or small business must be located in this state and submit an application along with an application fee of up to \$50 to a contracted loan administrator. Microloans may be up to \$50,000 and up to 1 year in duration (amortization can be longer) with interest rates based on the prime rate published in the Wall Street Journal, plus up to 1000 basis points. A borrower may receive a maximum of \$75,000 in total microloans per year and may receive a maximum of two microloans per year and five microloans in a 3-year period. There is a 10% Set-aside for small businesses with less than 5 employees.

The Microfinance Guarantee Program

The Microfinance Guarantee Program, is designed to provide targeted guarantees for loans to Entrepreneurs and Small Businesses via Enterprise Florida, Inc. (EFI).

Borrower Eligibility and Conditions

To be eligible to receive a Microfinance Guarantee loan, a borrower must be an Entrepreneur or Small Business located in this state and meet other requirements established by EFI. Loan Guarantees may only be provided on loan amounts between \$50,000 and \$250,000.

Under Both Programs

Eligibility is limited to borrowers who are Entrepreneurs and/or Small Businesses with 25 or fewer employees and gross annual revenues of up to \$1.5 million. Proceeds from a microloan **can only be used for** startup costs, working capital, and to purchase materials, supplies, furniture, fixtures, and equipment.

As a condition of receiving a microloan, the borrower must personally guarantee the microloan, participate in business training and technical assistance, and provide information regarding job creation and other financial data to the loan administrator. Participation in the loan program is intended to enable Entrepreneurs and Small Businesses to gain access to private financing upon completing the loan program.

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