



## Wyoming Smart Capital Network Collateral Support Program

City of Sundance is proud to be a member of the Wyoming Smart Capital Network, bringing a new tool to help capitalize Sundance businesses.

If you are a local business and need operating capital, but lack sufficient collateral to secure a bank loan, this tool can help you bridge the gap. The WSCN program can provide up to 50% of the collateral required by your bank. This collateral support will be provided in the form of a CD deposited in the bank that is making your loan.

### Eligibility Requirements

- Borrower is registered and doing business in Wyoming.
- Borrower is for-profit business, registered non-profit, government-owned corporation; or consumer or marketing cooperative.
- Borrower is not executive officer, director or principal shareholder of lender.
- Borrower must be located in one of the participating municipalities. There is one exception: if the borrower is outside of municipal boundaries, the mayor of the one of the participating municipalities must warrant, in writing, that the loan will result in significant economic benefit to the participating municipality providing the warrant.
- Total principal will not exceed \$5M.
- Borrower is a small business with no more than 750 full time employees.
- The loan is for an allowable business purpose such as
  - Working capital
  - Equipment
  - Renovation of owner-occupied real estate
- The loan is NOT for any of the following purposes:
  - Lobbying
  - Purchase of securities
  - Repayment of Taxes
  - Speculative activities
  - Illegal activities
  - Supporting businesses that earn more than 1/2 of revenue from lending activities, unless a CDFI
  - Gambling (unless < 33% of sales are from lottery)
  - Purchase of any portion of the ownership interest in any owner of the business (Purchase of assets of a business is allowable.)

- Passive real estate investment, including residential real estate and commercial real estate (in which the legal borrower will not occupy at least 51% of the existing building or 60% of new construction.)

### **Fees and Terms**

The WSCN Collateral Support Program is generally used for short-term loans and lines of credit, 12-18 months; however exceptions do apply, so don't hesitate to call us to discuss your project.

The fee to the borrower is 2% of the loan amount for 50% collateral support; 1% for 25% collateral support.

### **For More Information**

Visit <http://www.WyoSmartCapital.org> or call Wyoming Smart Capital Network at 877-255-3938.