

FREQUENTLY ASKED QUESTIONS

Q How do I qualify for grants?

A LRCC provides business grants in the form of a Non-repayable Business Equity Contribution. We can help individuals determine whether or not they qualify for the LRCC Non-repayable Business Equity Contribution Fund (BECF).

Q Do I need a business plan?

A Yes. A business plan will be required, however, the level of detail will vary from project to project and will depend on the amount of financing required. We recommend that potential borrowers contact LRCC in the early stages of their project so we can review our requirements with them prior to formal application. We can usually direct clients to where they can obtain most, if not all of the information they will need to be able to complete the plan themselves, unless of course, it is a large, complicated project.

Q Do I need equity?

A Yes. As a general rule, a minimum of 10% equity is required, but each project is assessed on its own merit with emphasis on the ability to repay debt.

Q Do I need a letter of rejection from a major bank before I can apply to LRCC?

A No. LRCC is not a lender of last resort and consequently we do not need a rejection letter.

Q What types of loans does LRCC offer?

A Primarily term loans and bridge loans (for grants) with a maximum amortization of up to ten years.

Q Is LRCC a government agency?

A No. Our capital originally came from the Federal Government, but we are Metis owned and controlled.

Q How does LRCC determine interest rates?

A Interest rates are reviewed from time to time and are set by our Board of Directors based on our need to generate sufficient revenue to offset operating costs. The interest rate applied to individual loans is based on risk and security.

Q Why should I borrow from LRCC instead of a regular banking institution?

A We are not in competition with regular lenders as we are a developmental lender. If the client already has a good relationship with their bank (lender) there is no need to change, unless of course they want to.

Q What other agencies can I contact?

A This will depend on the particular type of project and support required. LRCC staff try to keep updated on all agencies and organizations that can assist our clients and willingly share this information.

Q Can LRCC partner with other lending institutions to provide a client with a loan?

A Yes

CHECKLIST FOR PREPARING A BUSINESS PLAN

Have you included?

- An introductory letter
- A title page
- A summary statement – brief description of your business
- Background information
Legal status of your firm / Start-up of your enterprise
- A description of the industry
Principal characteristic / Players / Trends / Barriers
- A description of your product or service
Technology you will be using / Assessment of strengths and weaknesses / Patents, trademarks, copyright protection
- A description of your management team
An organization chart / Resumes / Management compensation
- Your marketing plan
Assessment of total market / Assessment of target market / Assessment of competition / Assessment of your marketing advantage / Your pricing policy / Your selling policy / Your distribution policy / Your advertising / promotion plan / Your services and warranties
- A description of the land, buildings and equipment you will need
Location / Land requirements / Equipment requirements
- A description of how you will operate
Work flow / Supplies and materials / Inventory control / Suppliers
- Personal references
From banks / From professionals / From former employers
- A financial plan
Your capital requirements / Projected Income Statements / Cash flow budgets / Break-even chart / Pro forma Balance Sheet / Your sources of financing / Personal Balance Sheet, including your personal net worth
- Risks and problems associated with your business and how to resolve them
Worst case scenarios / Impact of risk / Avoidance of risk / Environmental risk