

LENDING

Loan Guarantees

Rural Entrepreneur Assistance

Operating Credit Guarantee for Rural Small Business

RURAL ENTREPRENEUR ASSISTANCE (REA)

Access to capital is vital to business, and small and home-based businesses are especially important to the growth of our rural communities. The Rural Entrepreneur Assistance (REA) program provides funds for business starts, expansion or the purchase of existing businesses for small, non-agricultural businesses in rural Manitoba by providing loan guarantees to financial institutions. In this way, REA contributes to strong communities and jobs for rural Manitobans.

What is REA?

- REA provides a guarantee on individual business loans to assist with start-up, expansion costs or the purchase of existing businesses.
- A guarantee of up to 80% of a loan is available.

What are the qualifications?

- The program is available to businesses located in Manitoba, outside of Winnipeg.
- Small businesses with \$2 million or less in annual income/sales are eligible.
- Loans are made to owners/operators and may be used for the purchase of fixed assets, inventory and/or working capital. The loan cannot be used to pay existing debts of the company or any individual, nor can loans be transferred.
- Cooperatives and partnerships are eligible for the REA program.
- Businesses not eligible include: insurance, real estate, financial, restaurants, those engaged in primary harvesting of resources, primary agriculture, or those intending only to renovate or make cosmetic changes to buildings.

What are the terms and conditions?

- REA is available on loans between \$10,000 and \$200,000 with repayment terms up to 10 years.
- The interest rate charged by the lender cannot exceed the commercial prime rate plus 2.5%.
- If a fixed rate is preferred, the rate is negotiated with the borrower and lender.
- Applicants must contribute 20% of the total project cost in the form of cash, land, buildings, equipment, inventory and/or assets that would be used in the business.

How can I apply?

- Applicants must contact a participating lender or the REA program specialist toll-free at 1-800-282-8069 (ext. 2180) or in Winnipeg at 945-2180.
- An application form along with a business plan is required.
- Applicants must register for and attend a 3-day business seminar.

For more information on this program, please contact the REA program specialist, or visit masc.mb.ca

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OPERATING CREDIT GUARANTEE FOR RURAL SMALL BUSINESS (RSB)

Access to operating credit with reasonable terms and conditions is essential for rural small businesses to succeed and prosper. The Operating Credit Guarantee for Rural Small Business (RSB) provides more credit opportunities, helps strengthen rural economies and attract greater diversity to rural communities across Manitoba.

What is RSB?

- The RSB provides a guarantee on operating lines of credit, from private lenders, for small rural businesses.

What are the qualifications?

- The program is available to businesses located in Manitoba, outside of Winnipeg.
- Small businesses with \$2 million or less in annual income/sales are eligible.
- Operating loans are made to owners/operators and may be used for the purchase of inventory, financing of receivables, general operating expenses, and current year's principal and interest payments on business loans identified at time of application.
- Businesses not eligible include: insurance, real estate, financial, professional and consulting services, restaurants, those engaged in primary harvesting of resources, or primary agriculture.

What are the terms and conditions?

- RSB is available on operating loans up to \$200,000.
- The interest rate charged by the lender cannot exceed the commercial prime rate plus 2%.
- Applicants must have 20% equity in the business.

How can I apply?

- Applicants must contact a participating lender or call the RSB program specialist (toll-free) at 1-800-282-8069 (ext. 2180) or in Winnipeg at 945-2180.

For more information on this program, please contact (204) 945-2180, or visit our website at **masc.mb.ca**