

## Microloans: Frequently Asked Questions

### **Q: What are your interest rates?**

A: Interest rates do not exceed 10% APR (Annual Percentage Rate), but vary based on product and application. In very specific instances, we can accommodate business owners of the Islamic faith with our Murahaba loan product, which converts the interest rate to fees.

### **Q: What is the average term length for loans?**

A: For loans of more than \$1,000, expect the maximum term to be 60 months (five years). We try to meet the needs of the business owners we're serving; therefore, in rare instances, terms could be greater than 60 months. After you develop a financial plan with your assigned WEDI staff person, they can advise you on more suitable terms that fit the financial needs of you and your business.

### **Q: For what may I use my loan proceeds?**

A: WEDI only lends capital toward business expenses, but this may include refinancing business debt (including credit cards), equipment purchases, working capital for your business, startup/pre-startup costs, inventory purchases (small and large), and more! Talk to us to determine if we can lend to your business's needs.

### **Q: What is the maximum amount of money I can apply for?**

A: WEDI can only provide a loan of up to \$20,000, but you can apply for as much money as you'd like! If it exceeds our limit, WEDI will reach out to partner lenders to try to meet your full request. After working with a staff member, we can assist you in determining approximately how much capital you will need in order to meet short- and long-term business goals.

### **Q: How quickly do I receive my money after I have been approved?**

A: Typically, it takes about a week. WEDI's loan committee meets monthly. You will work with a WEDI staff member to complete a full loan application. This consists of a business plan, but don't worry; we can assist you with this if needed. WEDI reviews your loan during the first week of the month, typically. If approved, we can disburse funds within 6 business days.

#### **VISION**

All residents of Western New York can succeed and thrive in a culturally inclusive community.

#### **MISSION**

WEDI strengthens communities through a continuum of educational and financial resources, removing systemic barriers to economic equity for all Western New Yorkers.