Microfinance Ireland

Microfinance Ireland

- Set up by the Government to provide loans to **newly established or growing microenterprises**, with **commercially viable proposals** that do **not meet the conventional risk criteria** applied by commercial banks

- MFI is ‘additional’ lending which would not otherwise be provided by banks. Banks remain the **primary and dominant** supplier of finance to microenterprises

- Loans to **top up bank credit** may be available in certain cases where it is clear that the business would not go ahead without MFI

- **Co funded loans** with banks are also available

Loan Features

Our flexible business loans are designed for micro-enterprises that, under normal lending criteria, are unable to obtain loan facilities from their bank. We provide –

Loan Size	Loans between €2k-€25k
Term	Terms up to 5-years (3-years working capital / 5-years capex)
Interest Rate	8.8% APR fixed interest rate
Security	Unsecured. Indemnity required from Executive Directors/Shareholders >25% of Limited liability companies
Flexible Terms	Moratorium / interest only / phased drawdowns / bullet repayments *on a case-by-case basis
Co-Funding	Co-funding with banks welcome
Purpose of Loans	Working capital/purchase of equipment/set-up costs/Marketing
Sectors	All industry sectors provided for
Borrower	Sole Trader / Partnership / Limited Company

Assessment Criteria

- MFI will assess a loan application based on a number of criteria;
  - A **realistic business plan including cash flow projections**
  - Proven business models with prospect of **near term cash flow**
  - The **number of new jobs and social impact**
  - An **interview** (may be by phone) with the entrepreneur to assess skills, character, viability of the plan and commitment to the business
- Adverse credit history / absence of credit history **will not preclude** a loan provided there if full disclosure and evidence that debts have been dealt with honourably

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Supporting the Government's Action Plan for Jobs

Business Activity

- ✓ **560 jobs supported**
- ✓ €3.9m approved over 250 micro-enterprises
- ✓ 54% approval rate
- ✓ 60% start-up businesses / 40% existing businesses

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Supporting Documentation

Start-Up Business

1. MFI Application Form
2. Business Plan to include -
   - **Cash flow projection (3-years)**
   - **Summary P&L (3-years)**
3. Promoter(s) CV
4. 6-mts personal Bank stmts

* Tax Clearance Certificate required for drawdown

Existing Business

In addition to 1 – 4:

- Recent Management A/Cs
- Latest Certified Accounts
- 6-mts business Bank stmts
- Aged Debtors/Creditors List

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How to apply to Microfinance Ireland

Direct Channel	LEOs (Local Enterprise Offices)
Applicants can send completed applications with supporting documentation direct to **Microfinance Ireland** **Jefferson House** **Eglinton Road** **Donnybrook** **Dublin 4.** www.microfinanceireland.ie	Where applicants require assistance they can direct their application through the LEO network **Local Enterprise Offices** www.localenterprise.ie

Application forms available from

www.microfinanceireland.ie