

## 2. Financing Your Business Venture

**Obtaining financing for your start-up can be challenging. Fortunately, there are several options that you should look into from traditional financing to trendier options such as “crowdfunding”:**

- **Traditional Financing**

If you already have a good working relationship with a bank, then your bank should be the first place to look for financing. Before taking a loan, make sure that you shop around for the best interest rate.

- **SBA Loans**

The U.S. Small Business Administration (SBA) provides several loan programs tailored to the borrower’s needs. SBA does not provide direct lending, but works with local banks by providing loan guarantees. A SBA-backed loan reduces the lender’s risk of borrower’s non-payment by providing a guarantee on a percentage of the total loan. To learn more about SBA loans:

### **U.S. Small Business Administration (SBA) - Region I (New England)**

10 Causeway Street Suite 265A

Boston, MA 02222

Phone: 617-565-8416

Fax: 617-565-8420

<http://www.sba.gov/loanprograms>

Here’s a list of Lowell’s Lenders

\*SBA lenders

#### **Align Credit Union\***

87 Hale Street

Lowell, MA 01852

978-452-9961

<https://www.aligncu.com>

### **Bank of America**

724 Chelmsford St

Lowell, MA 01851

978- 275-9548

[www.Bankofamerica.com](http://www.Bankofamerica.com)

### **Eastern Bank\***

**30 Central St**

**Lowell, MA 01852**

**1-800- EASTERN**

[www.easternbank.com](http://www.easternbank.com)

### **Enterprise Bank and Trust Company\***

978-459-9000

<https://www.enterprisebanking.com>

### **Lowell Five Cent Savings Bank\***

**34 John St**

978-452-1300

[www.lowellfive.com](http://www.lowellfive.com)

### **Jeanne D'Arc Credit Union**

656 Merrimack St

Lowell, MA 01852

978-452-5001

<http://www.jdcu.com>

## **People's United Bank**

10 George St

Lowell, MA 01852

978- 259-1000

<https://www.peoples.com>

## **Sage Bank (former Lowell Bank)**

5 Hurd St

Lowell, MA 01852

978- 275-1974

[www.Sagebank.com](http://www.Sagebank.com)

## **Santander Bank\*** (former Sovereign Bank)

**170 Merrimack St**

877- 768-1145

<https://www.santanderbank.com/us/>

## **TD Bank\***

45 Central St

Lowell, MA 01852

978-454-1114

[http://www.tdbank.com/small\\_business](http://www.tdbank.com/small_business)

## **Washington Savings Bank\***

**30 Middlesex St**

**Lowell, MA 01852**

978-458-7999

For an up-to-date list, please visit [www.sba.gov](http://www.sba.gov)

- **Veterans “Patriot Express” Loan Program:**

The Patriot Express program is available to veterans that want to start or expand their business. The program is available exclusively to service-disabled veterans, active-duty service members eligible for the military’s “Transition Assistance Program”, Reservists and National Guard members, as well as spouses or widowed spouses of service members. Small Businesses can qualify for the SBA’s maximum guaranty, up to 85% for loans of \$150,000 and up to 75% for loans for loans up to \$500,000. To learn more about the “Patriot Express Loan Initiative” contact:

**SBA Region I (New England)**

10 Causeway Street Suite 265A

Boston, MA 02222

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Fax: 617-565-8420

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- **Micro-Loans**

In many cases, the lack of credit history or collateral, among other factors, can make it difficult to secure a larger loan from a bank. Also, is not profitable for banks to make very small commercial loans. Microlenders offer smaller size loans ranging from \$1,000-25,000. Interest rates vary depending on the risk of the loan and the microlender. The following local organizations offer microloans:

- **The Merrimack Valley Small Business Center (MVSBC)** Provides microloans up to \$25,000. For more information please contact:

Microloan Program Manager

Community Teamwork's

Merrimack Valley Small Business Center

88 Middle St., 2nd Floor, Lowell, MA 01852

978-322-8403

[www.merrimackvalleysmallbusiness.com](http://www.merrimackvalleysmallbusiness.com)

- **Accion USA**

Offers loan to start-ups up to \$30,000. For more information, please contact:

Accion USA

Boston Office

(617) 616-1549

<http://www.accionusa.org>

- **Crowdfunding**

A crowdfunding site such as Kickstarters [www.kickstarter.com](http://www.kickstarter.com) or Indiegogo <http://www.indiegogo.com> can be an easy and fun way to raise money by having your family, friends and community financially supporting your business venture. You'll need to set-up a goal for how much money you'll need to raise over a period of time, and then reach out to your network of family, friends, neighbors, and ask them for donations. In return, you'll offer your supporters an incentive: i.e. you're seeking funding to open a coffee shop, and if someone donates \$100 towards your business venture then you'll offer this supporter 1 free cup of coffee per day for the first year of the coffee shop being in operation.