

Approval Criteria for Financing Programs

In considering loans, the FPEGF will use the following general criteria:

1. The feasibility of the applicant's plan for the establishment or development of the business enterprise including:
 - Education and experience of the principal persons involved in the enterprise.
 - The availability of the technical and financial expertise required to successfully operate the enterprise.
 - The availability of services, including utilities and communication and transportation facilities, required to operate the enterprise.
 - The potential for growth of the enterprise or the development of related businesses.

2. The effect of the enterprise on the province and on the community in which it is located, including:
 - The provision of goods or services not previously available.
 - The creation of employment and the impact on other existing businesses.

3. The applicant's ability to borrow funds. Consideration will be given to:
 - Any financial assistance received or available from a financial institution including the terms and conditions to which the assistance is subject, and their effect on the enterprise.
 - The nature and amount of equity investment by any person other than the Fund, which indicates commitment by principals to the enterprise.
 - The applicant's credit history and relationship with lenders.
 - Management's ability to successfully operate the business.
 - Earning potential of the business and its ability to repay the loan.
 - Social and economic impact in the community including job creation.
 - Any other criteria the Fund's management considers relevant to the application.