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[About Us](#)

[Counselling](#)

[Partners](#)

## PROGRAMS

[Business Loans](#) [ConneXion](#) [S.E.B.](#) [Entrepreneur](#)

[Home](#) [Contact Us](#)

Community Business Development Corporation Northumberland

## Entrepreneur The Entrepreneur Program

### The Entrepreneur Program ... Loan guarantee

[What is the Entrepreneur Program?](#)

[Eligibility Criteria](#)

[How to apply for the loan guarantee](#)

### What is the Entrepreneur Program?

The Entrepreneur Program is a provincially delivered job creation initiative to help unemployed New Brunswickers create jobs for themselves through self-employment. The Business Support Division of the provincial Department of Business New-Brunswick sponsors and administrates the Entrepreneur Program in cooperation with eligible financial institutions. We provide assistance during different stages of the program. Eligible participants could receive financial assistance with business start-ups by way of a loan guarantee.



Under the Loan Guarantee, clients can receive a loan up to \$10,000. The loan is guaranteed by the Government of New Brunswick for 2 years and is interest-free to the borrower for a period of one year. Payments of principle plus interest payable at the bank prime rate plus one percent must begin in the 13th month of the loan. At the end of the 2nd year, the Government guarantee expires and the loan becomes a normal bank loan. At that time, monthly payment amount, interest rate and collateral security (if required) will be negotiated using normal business loan assessment procedures.



[Back to top](#)

### Eligibility Criteria?

Applicants under the loan guarantee program must meet the following general criteria:

Applicants must be unemployed, eligible to work in Canada, and not be a full-time student

Businesses deemed to be in undue competition with existing ventures will not be eligible for funding

The business must be established in New Brunswick and begin operation within 10 weeks of signing a loan guarantee agreement

The applicant and/or family members cannot own any similar business of which the new venture might be considered a natural extension

In order to qualify, the applicant must have a large measure of independent control over the business operation. For example, commissioned salespersons, pyramid-type selling, franchises, and 1-900 numbers do not qualify

Seasonal operations do not qualify

Applicants must provide additional capitalization to the business at a minimum of 20% of the approved loan. In-kind contributions may be considered for equity purposes

The business must be suitable for public funding and not exploit sex, religion or politics

Applicants that have previously received funding under the Entrepreneur Program, or the Self Start Program in the last 5 years are ineligible for funding

Credit review must be acceptable to the Department of Business New Brunswick

Applicants must be at least 19 years of age

If the business is a partnership, the maximum amount of the loan available to the partnership would be \$10,000.

The loan may not be used to refinance existing debts, or to purchase licensed vehicles, real or commercial properties, or heavy equipment. Normally, construction of new facilities will not be eligible

Businesses that exceed \$50,000 in initial start-up costs are not eligible for funding.



[Back to top](#)



## How to apply for the loan guarantee

1. Fill out the application forms.
2. If you require business plan assistance or further development, our officers can help you.
3. When the application has been completed, direct your application to a CBDC officer. He/She is the delivery agent for this program.
4. A CBDC's Member will assess the application and forward their recommendation to the Department of Business New Brunswick who will make the final decision. Please allow 3 to 4 weeks after which you will be informed for your loan guarantee status.
5. If approved, you will be provided with all of the necessary details to negotiate your loan.



[Back to top](#)



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**Entreprise Nouveau-Brunswick  
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