

# Business Funding Explained



Whether starting, expanding, or purchasing a business, you may be able to utilise one of the funding types described below.

## Term Loans

Term loans provide a sum of cash, usually to start or expand a business, which is paid back over time according to a specified schedule.

## Non-Repayable Grants

Non-repayable grants provide a sum of cash that does not have to be paid back, usually for a specific purpose. Grant providers closely monitor spending to ensure that funds are spent according to the terms of the award.

## Business Lines of Credit

Business lines of credit are pre-arranged sums of money which can be borrowed and repaid as required. Interest is charged on any outstanding balance at a fixed or variable rate at pre-determined intervals.

## Microloans

Microloans are small sums of money (generally \$5,000 or less) usually lent to assist with starting a business. Microloans tend to have lower interest rates than term loans.

## Equipment Loans

Equipment loans are specialist loans designed to aid in the purchase of revenue-generating equipment such as vehicles, factory machines, kitchen equipment, etc.

## Social Enterprise Loans

Social enterprise loans are specialist loans to support revenue-generating social enterprises

## Self-Employment Assistance (SEA)

Self-employment assistance programs allow qualified applicants to continue receiving EI benefits for up to 52 weeks after launching their business. CBDC and NLOWE offer these programs.