§ 120.702 Program which makes and services Microloans to eligible small businesses and which provides marketing, management, and technical assistance to its borrowers. It may be:
   (1) A private, nonprofit community development corporation or other entity;
   (2) A consortium of private, nonprofit community development corporations or other entities;
   (3) A quasi-governmental economic development entity, other than a state, county, municipal government or any agency thereof; or
   (4) An agency of or a nonprofit entity established by a Native American Tribal Government.

(f) Microloan is a short-term, fixed interest rate loan of not more than $35,000 made by an Intermediary to an eligible small business.

(g) Non-Federal sources are sources of funds other than the Federal Government and may include indirect costs or in-kind contributions paid for under non-Federal programs. Community Block Development Grants are considered non-Federal sources.

(h) Non-lending technical assistance provider (NTAP) is an entity which receives grant funds from SBA to provide technical assistance to Microloan borrowers.

(i) Specialized Intermediary is an Intermediary which maintains a portfolio of Microloans averaging $10,000 or less.

§ 120.703 How does an organization apply to become an Intermediary?

(a) Application Process. Organizations interested in becoming Intermediaries should contact SBA for information on the application process.

(b) Documentation in support of application. The application must include a detailed narrative statement describing:
   (1) The types of businesses assisted in the past and those the applicant intends to assist with Microloans;
   (2) The average size of the loans made in the past and the average size of intended Microloans;
   (3) The extent to which the applicant will make Microloans to small businesses in rural areas;
   (4) The geographic area in which the applicant intends to operate, including a description of the economic and demographic conditions existing in the intended area of operations;
   (5) The availability and cost of obtaining credit for small businesses in the area;
   (6) The applicant’s experience and qualifications in providing marketing, management, and technical assistance to small businesses; and
   (7) Any plan to use other technical assistance resources (such as counselors from the Service Corps of Retired Executives) to help Microloan borrowers.

§ 120.704 How are applications evaluated?

(a) Evaluation criteria. In selecting Intermediaries, SBA will attempt to insure that Microloans are available to small businesses in all industries and particularly to small businesses located in urban and rural areas.

(b) Preference for organizations which make very small loans. In selecting Intermediaries, SBA will give priority to applicants which maintain a portfolio of loans averaging $10,000 or less.