

NOBL's Processes

The purpose of the following is to provide you, the applicant, with an understanding of NOBL's processes so that nothing will come as a surprise during your relationship with us.

1. The Application Process

NOBL has exceptional Business Analysts, one of which you will develop a working relationship with. Upon your arranging a meeting with a Business Analyst, you will get to discuss your business idea and explore ways in which you can bring the idea to fruition. You will discuss your product/service; the potential market; your abilities to attract some of that market, develop a business plan, and run a business; the support levels you bring (family, friends, contacts in the industry, banker, lawyer, accountant) to the business; the monies you will need to get the business to where you want it to go; training requirements; etc. Initial discussions usually take about an hour, depending on your state of readiness. Items that need to be addressed to ensure a proper and adequate representation of your business financing needs will be clearly identified and a meeting (or meetings) scheduled for you to bring in the additional information. Your Business Analyst will guide you in the development of your business plan and your cash flow forecasts. When the application is complete, you and your Business Analyst will address any final items which may cause the application to have problems going through the Review Process.

You will need to fill out an Individual Application (and Corporate if you are a limited corporation), which will include preliminary information about you and your business. First-time applicants to NOBL are required to pay a \$100 processing fee.

You will be required to provide us with your latest returns from Canada Revenue Agency (personal income tax, HST, and Source Deduction as applicable), any financial statements for your current business (or past businesses where relevant), and tax statements from the municipality where any relevant property is held.

2. The Review Process

Once you have completed the application process, your Business Analyst will prepare a write-up to start our review process. NOBL is run by a group of volunteers who have extensive business experience in our served Counties of Pictou, Antigonish, and Colchester. Each community has its own Investment Committee which can approve financing to \$75,000, and which can recommend to the Board of Directors (which is comprised of three members of each Investment Committee) any application amounts above that. The Investment Committee can reject any application without it being sent to the Board.

NOBL's volunteers are selected from the community from those who have strong business skills and good community knowledge. We also attempt to have representation from the legal and accounting professions, both genders, geographic areas, and various business sectors.

Meetings of volunteers are called on an as needed basis. We try to deal with no more than three applications at a time as our volunteers like to be thorough and they are also otherwise busy people. Usually, we can process an application through the Investment Committee within a couple of weeks after receiving final input from you, a week more if it has to go to the Board. There can be delays, depending on how busy we are when you apply.

3. Review Process Results

Usually we have enough in our presentations for the volunteers to make a decision. The volunteers provide a final set of eyes to ensure that as many issues are addressed before the business is started/expanded to ensure the success of the business. On occasion, you may get asked for further documentation/information so that a more favourable understanding of your business can be gotten.

Approvals - When your application is approved for financing, you will be informed by your Business Analyst, and a letter of offer, with conditions which must be satisfied, will be provided. That offer will most likely require you to hire a lawyer so that sufficient and accurate documentation can be taken. We will also ask you to insure your loan, something that can usually be done through NOBL, and which will result in a lower loan interest rate such that the insurance premium will be recovered over time by you. Where we ask for a co-signor or guarantor, there will need to be independent legal advice for that person. You should ensure your lawyer shares your sense of urgency; otherwise, you may want to look elsewhere.

Rejections - If your application is rejected, you will be informed by your Business Analyst. A letter will be

sent to you explaining the rationale for the rejection. This can include such things as insufficient equity, poor credit rating, market disruption (as stewards of public funds, we do our best to ensure we do not set businesses up which will cause other businesses to fail), inadequate management, weak markets, and insufficient security for the financing applied for.

Redress - If your application is rejected, and you still believe you can move forward, you should meet with your Business Analyst to discuss the reasons for rejection. You will then need to provide sufficient new information which your Business Analyst can take forward to the next meeting.

4. When Business Goes Well

When your business is doing fine and payments are being made to us, CRA, your staff, your suppliers, and other lenders, we can still be of assistance to you. Our Staff can help you identify new markets or provide you with advice on many business issues. As well, we have some funds (which can be used to complement yours) available to help you get business management training, from bookkeeping to human resource management, to marketing. Business analysts are an excellent sounding board for new ideas, problems, issues, and simple venting. We also expect you to annually provide us with your financial statements, CRA returns (income tax, source deductions, and HST), and municipal tax statements (when you own a building which has been pledged to us as security). We report payment history to Equifax. If you meet the programmed repayment schedule, your credit rating will be improved through our reporting.

5. If Things Come off the Rails

NOBL is a high risk lender and we understand that not all businesses will perform in accordance with its owner's expectations. We are flexible and patient, but we do need to be kept informed. Payments to NOBL are made on the 1st and the 15th by auto-withdrawal. We need two working days notice if you need to change your payment. If this occurs frequently, you need to discuss your business with your Business Analyst, as there may be more that we can do for you. Should you not be co-operative, or should you miss too many payments without sufficient explanation, we may be forced to action our security. If we action our security, we will seek your support to find buyers as your technical and market knowledge are likely to make the amounts realized to be greater, thereby reducing any further debt you may have to us. And if the relationship becomes completely broken, we will send your account to collections, with all that that entails.

We report payment history to Equifax. If you do not meet the programmed repayment schedule, your credit rating, and therefore your ability to borrow in the future, will be harmed through our reporting.

6. Things we will do for you

We will provide a sensitive and empathetic ear, feedback on your business, training support where needed (when funding is available), and fair and honest representation of your business to our decision makers. We will try to keep you informed of any matters that relate to your business (eg., marketing opportunities, seminars on business issues). We will recommend experts (lawyers, accountants, consultants, trainers, mentors) who can help you along your journey.

We will not approve applications where those proposed businesses will harm your business.

7. Things we will not do for you

We will not develop your business plan, nor develop your cash flow projections without your being present and providing major input. We will not give you legal advice and will not represent you to CRA or any other government body.

8. One Final Point

The federal government has, through StatsCanada, provided us with results for our clients compared to those who don't use our services. The numbers are conclusive that those using CBDC services are more likely to be successful in business than those who do not. We believe that this is a result of our processes and our caring Staff and Volunteers.