**Section 650.35 Business Loan and Financial Assistance Application Evaluation**

The Department will evaluate eligible applications taking into consideration funding available for the Program, demand to participate in the Program, and availability of licenses under the Act. The Department will also consider a Business Applicant's creditworthiness, the potential economic benefit of the project, and the extent to which a Business Applicant demonstrates that the company, its owners, or its employees have been directly and adversely impacted by the enforcement of cannabis-related laws. Specific terms of any loan or line of credit, including the amount, interest rate, security required, and performance measures, will be determined based on the needs and risk profile of each Business Applicant.

a) The Department will only evaluate completed applications. The Department will deem an application complete only after it has received all information it has requested from the Business Applicant.

b) General Criteria for Evaluating Applications. The Department will screen all applications to determine that all requirements of the application package have been addressed. A Business Applicant will be notified of deficiencies in its application and given an opportunity to correct any deficiencies through submission of additional documentation. Department staff will conduct a technical and financial evaluation of each application.

1) Technical Evaluation. Each application will be reviewed to determine whether issuance of a loan or line of credit will further the goals of the General Assembly as set forth in Section 7-1 of the Act. The evaluation will address the following criteria:

A) Evidence of Need for Program Funding. The Business Applicant must demonstrate the need for Program funds, including evidence that a loan or line of credit will improve the likelihood of the Business Applicant receiving a license under the Act or that the Business Applicant faces barriers to obtaining sufficient working capital to maintain licensure or operate a successful business without the Department's support. The Department will also evaluate whether the proposed use of funds is consistent with the purposes of the Act.

B) Project Implementation Readiness. The Business Applicant must demonstrate project readiness, including identifying loans and investments from all lenders and investors (or any such investment that is contingent on receipt of a license or conditional commitment letter); a time schedule for project initiation; commitments from material project partners; and cost estimates that support proposed project costs.

C) Employment Impact. The application shall provide evidence of: employment impact/opportunity (e.g., potential job creation), including a description of the type and the number of any jobs to be created; the average salary or wage of each position category; and any evidence that the jobs will generate additional wealth or employment opportunities for persons living in Disproportionately Impacted Areas or who have been adversely impacted by the enforcement of cannabis-related laws.

D) Social Equity Applicant Status. The Business Applicant must demonstrate that it falls within the definition of Social Equity Applicant. It must also demonstrate that its owners or employees have been directly and substantially adversely impacted by enforcement of cannabis-related laws. Funding may be prioritized for Business Applicants with owners who have arrests or convictions for offenses eligible for expungement under the CI Act. The Department will also consider the extent to which the Business Applicant demonstrates a commitment to retain, hire and promote residents of Disproportionately Impacted Areas or other persons directly and substantially adversely impacted by the enforcement of cannabis-related laws.

2) Financial, Management, and Operational Evaluation. The Department will conduct an analysis of the Business Applicant's financial information, which may consider the liquidity and debt coverage for the project, ability of the company to manage debt, business trends, and projected earnings. The Department will also consider the extent to which the Business Applicant demonstrates commitments from investors, incubators, community-based organizations, or other external partners to provide long-term operational or management support to the Business Applicant to enable it to secure and maintain licensure. The Department may consider the credit risk of the Business Applicant's owners and officers and the presence of management or a workforce with experience in the cannabis business or comparable industries.