



FREQUENTLY ASKED QUESTIONS ON CANNA-BUSINESS REVOLVING LOAN FUNDS

1. **Who can apply for this loan program?**
Social Equity Lottery Applicant/s (SEA/s) with a provisional or final adult use cannabis business license located in Connecticut may apply within the first 90 days of the application period. All remaining social equity licensed businesses such as cultivators and equity joint ventures can submit their applications after the applications submitted by social equity lottery businesses have been reviewed.
2. **What is the age requirement to apply for this loan program?**
All applicants must be at least 21 years old to submit an application.
3. **If I hold multiple licenses, can I apply to this program for each license?**
Yes, a Social Equity owner with multiple licenses can apply for a maximum of two loans with one loan per license.
4. **What can the funds be used for?**
Working capital and lines of credit.
5. **What can the funds not be used for?**
Funding provided under this program cannot be used for payment of taxes, payment of licensing fees, subsidize a business that can obtain financing for the project at reasonable terms from conventional sources, refinancing or restructuring a bank's existing debt, relocation of a business entity from one Connecticut geographical area to another, compensate for a fundamental business weakness, personal loans, personal needs (child support, rent, utilities etc.), gambling, and all Statewide illegal activities.

6. What is the minimum equity investment required?

Minimum equity investment required is 20%.

7. What are the terms of the loan?

Loans will be amortized over the life of the asset or the borrower's ability to repay, with a maturity note of not more than 10 years. Working capital loans will be amortized over a period of 2 years. Lines of credit mature at the end of year 5 with the option to convert to a term loan for a period not to exceed 5 years.

8. What interest rate is applicable to these loans?

The fixed interest rate shall not be set below 6% and not higher than 9%. There is a 1.50% interest rate discount for applicants that enroll and complete the SEC Cannabis Business Accelerator Program.

9. What are the collateral requirements?

All individuals who own at least 5% of equity in the business are required to provide a personal guarantee for the loan.

10. What are the closing costs?

All applicants will be responsible for paying the closing costs. The closing costs can be financed.

11. How can I apply to this program?

[Application](#) forms are available electronically for downloading on the Social Equity Council's websites.

12. How long is the approval process?

All applications will be reviewed in the order it was received and a decision will be issued within a reasonable time depending on each application.

13. Where can I find additional loan information?

For more information, please contact us at SEC@ct.gov.