

Business

## Capital within reach for startups

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By Angela Carter, Register Staff

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HAMDEN — For startup companies and small-business owners seeking capital, the quest can be intimidating and confusing, but it does not have to be, a panel of financial experts said Thursday.

Executives from Quinnipiac Bank & Trust Co. in Hamden, Post University Institute for Innovation and Entrepreneurship, Connecticut Community Investment Corp. and the Small Business Administration held a discussion on “A Roadmap to Securing Capital” at the Hamden Government Center.

“Banks don’t like to say no. We don’t make any money when we say no, but we have to work within certain (regulatory) parameters,” said Richard Barredo, vice president and co-founder of Quinnipiac Bank.

Barredo told an audience of about 30 people that entrepreneurs must provide lenders with a business plan demonstrating that the business has the capacity to sustain itself, as well as show a history of responsible financial behavior and include collateral in the deal to improve their chances of securing financing.

President and co-founder Mark Candido said community banks in the state “are safe, strong, secure and we are lending.”

If a loan applicant has a credit blemish or a shortfall in collateral, prompting a rejection letter from a lender, CT-CIC offers free coaching services and helps the entrepreneur prepare for microloan requests of up to \$35,000 through CT-CIC.

“Our ultimate goal is to give you back to the bank that referred you to us,” said Carolyn Welch, vice president of CT-CIC and a loan officer for SBA’s microloan program.

Greta Johansson, deputy director of SBA’s Connecticut District, said SBA no longer provides direct lending because of budget constraints, but guarantees a portion of a loan, typically 75 percent, through approved lenders. Under the American Recovery and Reinvestment Act of 2009, the guaranteed portion may go up to 90 percent, she said.

One of the agency’s more widely used products is known as the 7(a) loan program, which has a flexible structure and can be used to expand or renovate facilities, to augment working capital, construct commercial buildings or refinance existing debt under certain conditions.

There is also the Certified Development Company or 504 loan program, which provides long-term, fixed-rate financing for acquisition and/or renovation of capital assets such as land, buildings and equipment.

“Take one thing you learned today, and in the next 24 hours, do something about it,” event moderator

Douglas Brown, managing director of Post University's Institute for Innovation and Entrepreneurship, told the audience.

*Angela Carter can be reached at 789-5752 or [acarter@nhregister.com](mailto:acarter@nhregister.com).*

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