

### UCEDC Introduces Line of Credit

UCEDC has a new financial product to help small businesses expand—an affordable line of credit!

As a specialist in providing access to capital for small businesses, UCEDC has created a vehicle to help those companies whose cash flow needs fluctuate, and for whom a term loan is not appropriate. The UCEDC Line of Credit will provide up to \$20,000 in working capital.

According to Ellen McHenry, Director of Financial Programs for UCEDC, “This line of credit is a valuable tool for business owners because it offers more flexibility than a term loan. Borrowers can draw down funds when they’re needed for short-term cash flow needs and repay them at a later date without having to incur long-term interest charges.”

UCEDC’s Line of Credit is available to both entrepreneurs and existing business owners. It provides up to \$20,000 in financing, with rates ranging from prime +3% (for existing businesses) to prime +5% for businesses less than two-years-old. The line of credit is for one year, is renewable beyond that, and there is no annual “clean up” period.

For more information on UCEDC’s Line of Credit, contact Ellen McHenry at 908-527-1166 or [info@ucedc.com](mailto:info@ucedc.com)

### UCEDC 24th Annual Golf Classic

Q: What’s 24-years-old and only gets better with age?

A: UCEDC’s Golf Classic!

That’s right, it’s time to start thinking about UCEDC’s Golf Classic. This year marks the 24th anniversary of this wonderful fundraiser, and we’d like to see you out on the links this October.

Date: Wednesday, October 1, 2008  
(raindate: Thursday, Oct. 2)

Lunch, 18 holes of golf, cart, dinner, & open bar: \$235

For more information about sponsorship opportunities or participating, contact Paige Sato, Director of Business Development at [psato@ucedc.com](mailto:psato@ucedc.com) or 908-527-1166.

### UCEDC Resources: Credit & You

UCEDC educates its clients on how credit issues can affect their businesses. We train our clients to protect this valuable resource. What follows is a brief primer on personal credit, how credit scores work, and valuable resources for understanding your credit.

There are three major credit bureaus. Each collects four basic types of information:

- Identification and employment information
- Payment history
- Inquiries (from a lender about a borrower)
- Public record information

Each credit bureau then uses that information to come up with a “score.” This score is weighted as follows:

- 35% Payment history
- 30% Outstanding debt
- 15% Length of time with credit
- 10% Number and types of inquiries
- 10% Types of credit

Credit scores range from 300 to 900 points (each bureau has its own scoring system) and are then used by lenders, credit card companies, landlords, potential employers, and insurance companies to determine your credit worthiness. The theory is that as your score increases, your risk of default decreases. Overall, 60% of the US public has a credit score of 700 or higher.

When you, either personally or as a business owner, are looking for financing, you “authorize” the lender to run your credit report. Your authorization allows the credit bureaus to “sell” this information to its subscribers, which include various lenders like banks, car dealerships, mortgage companies, and credit card companies. Your score determines the amount of financing and interest rate you will receive from that lender.

While the credit industry is working to become more transparent, there are still many urban myths surrounding credit and credit scores. Let us debunk the top five:

1. *Checking your own credit report can lower your credit score.* (You have the right to obtain your credit report for free once a year; however, “inquiries” from other companies will affect your score.)

## Success Story: Hounds on the Hudson

Three years after closing on her UCEDC loan, Kim Pamperin's business, Hounds on the Hudson, is now the top dog in the North Jersey doggie daycare industry.

According to Pamperin, "About four years ago, after leaving corporate America, I became a dog walker and caretaker to help pay the bills, in between freelance graphic design gigs. It was during this time that I rediscovered my passion for dogs. I saw the need for a pet utopia—a place where dog owners could confidently leave their pets, but also a place that dogs just loved to visit. I created Hounds on the Hudson to fulfill that dream."

Pamperin went about fulfilling that dream responsibly. She graduated from the New Jersey Economic Development Authority's ETI (Entrepreneurial Training Institute) program, began researching financing options for her business, and approached UCEDC for a loan.

Ellen McHenry, Director of UCEDC Financial Programs, states, "The Hounds on the Hudson loan application was very well prepared. Ms. Pamperin included her industry-specific experience, a complete market analysis, and realistic projections for both the start-up and growth phases of her business."

Ms. Pamperin opened her business in spring of 2006 after receiving UCEDC funding in December 2005. As an added bonus to her loan, UCEDC provided Ms. Pamperin with free one-on-one business mentoring services. UCEDC's business mentor stayed in touch with Ms. Pamperin during the early phase of her business, offering assistance in marketing, accounting, and financials.

Ms. Pamperin explains that preparing a thorough business plan was key to opening her business. In addition, the UCEDC mentor acted as a sounding board and offered good advice regarding different day-to-day aspects of operating her business.

In the eighteen months since receiving a UCEDC loan, Ms. Pamperin has expanded Hounds on the Hudson to include 12 employees and has increased her services to create new revenue from dog grooming, training, and a small retail selection of dog-related products. Moreover, she expects to see a profit at the end of this fiscal year!

### PLEASE NOTE:

If you prefer to no longer receive information from UCEDC, please call: 908-527-1166 or fax your request to 908.527.1207  
UCEDC 1085 Morris Avenue, Union, NJ 07083  
908-527-1166 / info@ucedc.com / www.ucedc.com

## July & August Calendar

In addition to its own programs, UCEDC partners with like-missioned strategic partners to bring valuable technical workshops to the NJ small business community. This summer, Kean University's SBDC is offering a small business certificate series. For more information on any of these classes, contact the university at 908-737-4220.

**Is Business Ownership Right For You?** *Wed. July 9, 9-11am.* PNC Bank, 202 Park Ave. Plainfield. This seminar is aimed at those thinking about career options outside the traditional employer/employee paradigm. Register with Kean University's SBDC at 908-737-4220.

**Introduction to Accounting.** *Wed. July 16, 9-11am.* PNC Bank, 202 Park Ave., Plainfield. Get a basic understanding, set up your recordkeeping and reporting accurately, and ask any questions. Fee: \$10. Register through Kean University's SBDC at 908-737-4220

**Legal Aspects of Forming A NJ Business,** *Wed. July 23, 9-11:30am.* PNC Bank, 202 Park Ave., Plainfield. Learn the requirements, procedures and forms involved in establishing a business and hiring employees in New Jersey. Fee: \$10. Register through Kean University's SBDC at 908-737-4220.

**Develop a Winning Business Plan.** *Wed. August 6, 9-11:30am.* PNC Bank, 202 Park Ave., Plainfield. Register through Kean University's SBDC at 908-737-4220.

**Financing Your Business.** *Wed. August 16, 9-11:30am.* PNC Bank, 202 Park Ave., Plainfield. This workshop will discuss the various loan programs available to small business owners and their general requirements Register through Kean University's SBDC at 908-737-4220.

**Credit & You** continued. . .

2. *You have one credit score.* (Each of the three different companies has their own scoring methodology; your score is a snapshot at that point in time.)
3. *The higher your salary, the higher your score.* (Salary is not a factor in determining your score. Payment history is most important.)
4. *Paying off debt will immediately increase your score.* (While paying off debt will have a positive impact, it is not overnight. Creditors report payment information on a periodic basis so it may take 30-40 days to be reflected in your score.)
5. *Credit card offers can hurt your score.* (Applying for and opening multiple credit cards will negatively affect your score but unsolicited offers have no effect.)

As a business owner and consumer it's important to understand and manage your credit report. By checking your credit report, you can correct errors and right discrepancies. Moreover, residents of New Jersey are entitled to a free credit report every year. To receive yours, visit [www.annualcreditreport.com](http://www.annualcreditreport.com).