

MICROFINANCIAL INC  
Form 8-K  
October 18, 2011

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): October 12, 2011**

**MICROFINANCIAL INCORPORATED**

(Exact name of registrant as specified in its charter)

**MASSACHUSETTS**

(State or other jurisdiction of incorporation)

1-14771

04-2962824

(Commission file number)

(IRS Employer Identification Number)

10-M Commerce Way, Woburn, MA 01801

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 781-994-4800

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On October 12, 2011, the Registrant's wholly-owned subsidiary, TimePayment Corp. (the Borrower) entered into an amendment (the Third Amendment) to its secured revolving line of credit (the Facility) with Sovereign Bank, as agent (the Agent) and the lenders thereunder (the Lenders). The Third Amendment was given effect, by agreement of the parties, as of September 30, 2011.

Under the Third Amendment:

The maturity date of the Facility was extended by one year, from August 2, 2013, to August 2, 2014;

The interest rate payable by the Borrower under the Facility for Base Rate Loans was lowered by 50 basis points, from the Base Rate (defined in the Facility to mean the prime rate made available by the Agent from time to time) plus 1.25%, to the Base Rate plus 0.75 %;

The interest rate on LIBOR loans was lowered by 50 basis points, from LIBOR plus 3.25% to LIBOR plus 2.75%;

The unused commitment fee was lowered from 0.5% to 0.375% per annum; and

The leverage ratio that the Borrower agrees not to exceed (representing the ratio of (i) consolidated total liabilities minus subordinated debt to (ii) consolidated tangible net worth plus subordinated debt) was lowered from 4:1 to 3.5:1.

All other material terms of the Facility remain the same. The foregoing description of the Third Amendment is qualified in its entirety by reference to the Amended and Restated Credit Agreement between the parties attached as an exhibit to the Registrant's Form 8-K filed on July 15, 2008, the first amendment to the Facility dated February 10, 2009 and attached as an exhibit to the Registrant's Form 8-K filed on February 17, 2009, the Second Amendment to the Facility dated July 28, 2010 and attached as an exhibit to the Registrant's Form 8-K filed August 2, 2010, and the Third Amendment described in this report and attached to this report as Exhibit 10.1.

**Item 9.01. Financial Statements and Exhibits.**

Exhibit	Exhibit Title
Exhibit 10.1	Agreement and Amendment No. 3, dated October 12, 2011, to Amended and Restated Credit Agreement dated July 9, 2008

**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MICROFINANCIAL INCORPORATED**  
Registrant

By: /s/ James R. Jackson, Jr.  
James R. Jackson, Jr.  
Vice President and Chief Financial  
Officer

Dated: October 18, 2011

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