

## TOWN OF CARRBORO - COVID 19

### SMALL BUSINESS AND NON-PROFIT EMERGENCY LOAN/GRANT FUND

**Purpose of the fund is to assist Carrboro based businesses and non-profits with short term payroll and other reoccurring expenses during the State/Town declared COVID 19 Emergency in order to maintain and sustain operations for existing viable enterprises. The fund is intended to assist small local businesses and non-profits that are in current good standing with creditors, but are low on capital to maintain operations. Loan approval is at the discretion of the Town of Carrboro.**

#### **Minimum Requirements to Apply**

1. Carrboro based business or non-profit (must have a physical address in Carrboro corporate limits)
2. Preferred that the business have been in operation at least three (3) months
3. At least two (2) full-time equivalent employees (FTE)
4. Request loan amounts up to \$7200 per FTE and up to \$25,000 maximum
5. Applicant's Individual credit score of at least 620

**Step 1** – submit simple online application providing the following information:

1. Name of Business and Legal Entity Name (if different)
2. Ownership Structure
3. Fed Tax ID
4. Physical Business Address
5. How long have you been in operation at this location?
6. Number of full-time equivalent employees.
7. Amount of funds requested.
8. Describe how the pandemic has impacted your business and your mitigation plans for staying in operation with and without this loan

**Step 2** - Once the loan is applied for and an initial review by committee, which will include verification of business location and a virtual face to face interview, applicant will be asked to submit documentation including, but not limited to;

- 1) Full, current credit report
- 2) Most recent Year-end and quarterly financial statements including income statement and balance sheet
- 3) Current year tax-filing (if available) and previous year tax returns
- 4) Payroll reports for most recent 6 month period
- 5) Bank statements for most recent 6 month period
- 6) Lease agreements (for location, equipment, furnishings)/mortgage documents

## **TERMS**

- 1) 0% Interest
- 2) Deferred payback beginning 6 months after the State of Emergency has been lifted
- 3) Length of loan could be 3, 5 or 7 years based on committee recommendations
- 4) 90/10 Loan/Grant
- 5) Loan agreement includes a requirement to payback loan immediately upon receipt of SBA funding and automatic debit.

## **PROCESS**

Emergency review committee will immediately begin taking applications through online application process and schedule phone/video interviews with applicants as soon as possible. Frequency of review is yet to be determined and will be informed by need, but should occur at least weekly for the foreseeable future. Emergency review committee will make final decisions for funding.

Suggested make-up of the committee is ED Director, Town Attorney, Town Finance rep, SCORE representative, a TDA member, a representative from the Afro-American and/or Latinx community with a financial/banking background.