

SHORT-TERM BUSINESS INTERRUPTION LOAN PROGRAM

GUIDELINES AND POLICIES

City of Lanesboro Economic Development Authority

STBIL – I. INTRODUCTION – PURPOSE AND SOURCE OF FUNDS

The purpose of this policy is to provide written guidelines for the processing and awarding of Short-Term Business Interruption Loans through the City of Lanesboro Economic Development Authority (EDA) Revolving Loan Fund (RLF) This document is intended to be used as the procedure for the EDA to follow in granting and administration of Short-Term Business Interruption Loans. The scope of the Lanesboro RLF program is being expanded to include the STBIL Program.

The purpose of the Short-Term Business Interruption Loan Program is to assist existing businesses with their immediate cash flow needs in response to the adverse effects unforeseen business interruption as well as construction interruptions to their normal Lanesboro business activities. The Short-Term Business Interruption Loan Program will draw on funds in the City of Lanesboro’s RLF Program.

STBIL – II. ELIGIBILITY

- Businesses whose primary place of business is located in Lanesboro (or within 2,000 feet of City boundaries).

STBIL – III. LOAN TERMS, AMOUNT, AND LIMITATIONS

- Maximum loan amount of \$5,000 per business:
 - Loan amount is based on fixed costs for the business
 - Loan amount is flexible to support the needs of the business.
- Interest rate of 0%.
- Amortization is 4.1 years or less
- Funds to be released within 30 days after loan application approval.
- Loan payment deferred to 6 months from the date of first disbursement.
- Loans repaid at \$100 per month until loan is fully paid
- Loans will secured by a blanket chattel via a Uniform Commercial Code (UCC) filing, and or a lien on the property

STBIL – IV. ELIGIBLE USES FOR LOAN FUNDS

Loan funds may be used to cover expenses and fixed costs related to:

- Rent, leases, or mortgage payments.
- Utility bill payments.
- Employee salaries.

STBIL – V. LOAN REVIEW

The Loan Committee shall review all information that will provide decision-making assistance as to the adverse effect of the interruption event causing adverse effects to the business and to the amount of loan assistance requested. Generally, the following criteria will be used in reviewing loan applications:

- Collateral coverage
- Job retention
- Up to date on City and County taxes

Upon final approval by the EDA, and City Council when required, will prepare a Promissory Note, Security Agreement, and when applicable a Mortgage. All fees related to document preparation, legal fees, and recording fees are the responsibility of the borrower.

Please submit your application to Lanesboro City Hall attention Economic Development Authority (202 Parkway Avenue South)
or cathy.enerson@cedausa.com

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SHORT-TERM BUSINESS INTERRUPTION LOAN PROGRAM
APPLICATION

City of Lanesboro Economic Development Authority

Please review the Short-Term Business Interruption Loan (STBIL) Program Guidelines & Policies before filling and submitting this application.

Business Legal Name/DBA			
Business Owner Name/Title			
Phone:		Email	
Email:			
Street Address:			
City:		Zip Code:	
Mailing Address (if different):			
Years in Operation in Lanesboro:		Business Structure:	
Full-Time Employees:		Part-Time Employees:	

My Business Bank:	Contact:	Phone:	Email:
Briefly Describe Impact			

Business Fixed Costs per month	\$
Loan Amount Requested (up to \$5,000):	\$
Purpose for STBIL Funds:	
Collateral Coverage:	
Additional Notes:	

REQUIRED ATTACHMENTS:

- 1. Copy of Monthly Fixed Costs (Utility Bills, Payroll Spreadsheets, etc.)**

By signing, I certify the information on and attached to this application is true, and I give my/our permission for the Lanesboro EDA to contact my business banker to discuss items surrounding ability to repay the loan.

Name of Applicant: _____ Title: _____
 Signature: _____ Date: _____