

# **BARNESVILLE EMERGENCY LOAN FUND INFORMATIONAL SHEET**

## **Applicant Eligibility**

- Bricks and mortar business or a self-employed, home based business owner whose primary income source is the operation of the business
- Business must be structured as a for-profit business; this include home-based daycare
- Business must have a physical address of Barnesville
- Business must have gross revenues of \$500,000 or less
- Business must have been in operation 6 months or longer

## **Project Eligibility**

- Funds may be used to pay fixed debts including mortgage and lease payments, payroll, accounts payable, property taxes, inventory, and other working capital expenditures that could have been paid had the disaster not occurred.

## **Expenses Not Eligible**

- Loans may not be used to refinance any debt existing at the time of the peacetime emergency declaration or to pay down long-term debt

## **Loan Amount and Terms**

- Maximum loan amount will be \$7,500
- 1% Interest Rate
- Financing terms will not exceed 5 years
- Personal Guarantees of all owners will be required for all loans
- No loan payments will be payable during first 12 months
- Loans can be pre-paid at any time without penalty
- Loans can be combined with other state and federal programs
- No loan application fee

## **Application Period**

- Applications accepted **Wednesday, May 27, 2020 through Tuesday, June 9, 2020**

## **Loan Application Supporting Documentation**

- Applicant must state how the COVID-19 pandemic has impacted their business
- Applicant will be required to state how the funds will be used
- Business Tax Return or Schedule C from either 2018 or 2019 (most recently filed)
- First quarter or year-to-date balance sheet and income statement

## **Loan Underwriting/Approval**

- Confidential Underwriting/recommendation will be provided by Midwest Bank staff
  - Members of the EDA Board of Directors will not see applications

## **Data Privacy Disclosure**

The EDA is subject to Minnesota Statutes Chapter 13 (the "Minnesota Government Data Practices Act"). Under the Act, when businesses apply for a loan from the EDA, the financial information about the business, including financial statements and income tax returns are all private data. However, should the business receives a loan from the EDA; the business name, amount of loan, interest rate and repayment term of the loan would become public data; this information will not be published but would be available if requested by a member of the public.