



CITY OF LA GRANDE COVID-19 EMERGENCY BUSINESS LOAN PROGRAM

The City Council of the City of La Grande made available an additional \$200,000 in the Emergency Loan Program. Loans are limited to a maximum loan amount of \$10,000 and will require an application and approval using the current Emergency Loan Program provisions. Priority for loan approval will be to businesses that have not received a City of La Grande Emergency Loan and are subject to the most restrictive State mandates such as required closures. Under this program businesses would have two options:

- a. The current 4-year, 1% interest Long-Term Loan, no payments for six months, interest only for the following six months, and principle and interest for the following three years, no early pay-off penalty.
- b. New 18-month, 0% interest Short-Term Loan, no payments for six months followed by 12-month payments of principle.

The Emergency Business Loan Is Intended To:

- *Help businesses remain solvent through the crisis and be ready/able to rebuild;*
- *Fill specific cash flow gaps in businesses' larger efforts to scale down, reduce expenses, and take any additional defensive measures to survive the crisis.*

The Emergency Business Loan is NOT:

- *Intended to replace lost business income;*
- *Intended to fund pre-crisis-level operations;*
- *A mechanism to pay wages of staff that the business can no longer financially support;*
- *A low cost business loan for industries relatively un-impacted by the crisis.*

Eligible Businesses:

- *MUST be physically located within the City of La Grande City Limits;*
- *Those immediately impacted by public health restrictions;*
- *Had 50 or fewer employees when operating at full scale (defined as December 2019);*
- *Were generally stable/strong prior to the crisis.*

Acceptance of this loan includes a commitment to monthly reporting and ongoing technical assistance.

Proposed Loan Terms -- Business Selects the Option

Option 1 – 4 Year Term at 1% Interest

- Loan amount up to \$10,000
- Interest Rate 1%
- Loan Term Up to 48 months
- Loan Fee: None
- Mandatory business check-ins & financial reporting at months one, three and six during zero payment period.
- Repayment Schedule:
Months 1-6, payments deferred and no interest
Months 7-12, interest-only payments
Months 13-48 principal & interest payments

Option 2 – 18 Month Term at 0% Interest

- Loan amount up to \$10,000
- 0% Interest if repaid within 18 months
- No Payments for first six months followed by 12-month payments on principle.
- If not repaid in 18 months, loan converts to long-term with 4 years at 1% interest.

Initial Required Documentation

- Completed City of La Grande Emergency Loan Application
- 2019 Tax Filing or 2019 and 2020 Profit and Loss Statement for Any month March through November 2020
- Proposed Use of Loan Funds
- Emergency Plan:
 - Immediate cash flow needs and requested loan amount
 - Summary of Changes to Business Plan/Mode
 - How long is your business model sustainable?
 - Staffing Information
 - How many employees did you have prior to COVID-19
 - Have you laid off employees? How many?
 - Will this money allow you to retain or rehire employees? How many?
 - How are you marketing your business now? How will that change after COVID-19 pandemic?
 - How your supply chain affected? How have you been dealing with changes to supply chain?
- Attach a copy of your current business plan. If you do not have a business plan, you will be asked to complete one prior to month 3 of your deferral.

FAQs - Frequently Asked Questions

1. Q: Is my business eligible for this loan if our business has not been adversely affected by the COVID-19 pandemic? No. This loan is designed to help businesses combat short-term crisis-related adverse conditions.
A: adverse conditions.
2. Q: Am I eligible if my business is completely closed due to public health restrictions?
A: Yes. We understand that businesses may have zero income during this time. We ask that you also explore every possible other measure of support (e.g. forbearance on existing loans, reduction in rent, etc.)
3. Q: What can the loan be used for?
A: It depends. Each business will have unique needs, so you will need to clearly explain in your request how the funds will be used and how that will help you through the crisis. It might be covering rent/insurance while your restaurant is closed. There are no specific limitations.
4. Q: Are borrowers required to personally guarantee this loan?
A: Yes.
5. Q: What happens if this crisis extends longer than expected, my contingency plan doesn't work, and I have to close the business permanently?
A: None of us can predict the duration or extent of this crisis. If your business closes permanently within the next 12 months, we will do our best to work with you on a solution.
6. Q: If I already have an Urban Renewal Loan, does this loan release me from my existing loan payments or other financial obligations?
A: No. Any desire to modify existing loan payments must be requested separately.
7. Q: Do I need collateral for the loan?
A: No.
8. Q: Will this loan impact my eligibility for other government assistance?
A: Not that we know of, and we will follow other assistance programs closely, to monitor the impact of these loans on other programs. The City of La Grande does not want this product to block other resources, and can adjust this program accordingly.
9. Q: Can I apply for this loan if I don't have a Social Security Number?
A: Yes. Please provide your Tax Identification Number in the appropriate application field.

Submit completed and signed application by mail or place it in the drive-thru payment drop box: La Grande City Hall, Attn: City Manager, PO Box 670, 1000 Adams Avenue, La Grande, OR 97850. You may also email your application to lagrandeloan@NEOEDD.org.

<i>Business</i>	
Name:	
Phone Number:	Tax ID # or SNN #:
Email Address:	
Physical Address:	
Mailing Address (If Different From Above):	
<i>Loan Information</i>	
Amount Requested (\$):	Minimum Loan Amount You Could Accept (\$):
Brief Use of Funds:	
<i>Borrower</i>	
Name:	
Home Phone Number:	Work Phone Number:
Email Address:	
Home Address:	
Previous Home Address (If Less Than 2 Years at Current Address):	
Social Security Number or Tax Identification Number:	Date of Birth (MM/DD/YYYY):
Amount of Outside Income (\$):	Share of the Business (%):
<i>Co-Borrower</i>	
Name:	
Home Phone Number:	Work Phone Number:

Email Address:	
Home Address:	
Previous Home Address (If Less Than 2 Years at Current Address):	
Social Security Number or Tax Identification Number:	Date of Birth (MM/DD/YYYY):
Current Employer Name:	Income (\$):
Length of Employment (Years, Months):	Share of the Business (%):
Additional Source of Income (Type, Amount):	
Indicate which Option you are choosing: Option 1: 4-Year Term at 1% Interest, first 6 months no interest and no payments, months 7-12 Interest Only <input type="checkbox"/> Option 2: 18 Month Term at 0% Interest, no payments first 6 months <input type="checkbox"/>	

I authorize City of La Grande or its designee to obtain credit reports and verify any information in connection with this application. I agree City of La Grande or its designee may contact me, for all notices and reminders pertaining to my account, by phone at any phone number listed with my account, including cell numbers, which may result in additional charges. I agree to receive text messages, which may result in text messaging rates. City of La Grande may also contact me by sending e-mails, using any e-mail address provided. I can discontinue electronic delivery service at any time by notifying City of La Grande directly.

Borrower

Date

Co-Borrower

Date

