**WASECA COVID-19 RLF Loan Application**

**OVERVIEW**

The Waseca Economic Development Authority is making available emergency loans to help small businesses successfully get through the financial impacts caused by the response to the spread of the COVID 19 virus. The EDA's resources are limited. The funds provided are to help bridge the financial gaps that must be covered while waiting for assistance to arrive from State of Minnesota and Federal Government programs.

The money for this loan came from taxpayers, many of whom may not being able to work because of restrictions put in place due to COVID 19. You are asked to request what you need for your business to survive. Expectations are that you will also work with your lenders, creditors, landlord, and suppliers as well as making personal sacrifices too sustain your business.

Parameters for the loan are as follows:

- Loan amounts of up to $10,000 will be considered.
- Businesses need to have been open for business prior to March 15 but may be shut down at the moment
- Loans will be at zero percent interest for at least the first six months
- Loans will be deferred for the first six months with no payments
- 50% of the loan will be forgiven if the business is still operating at six months.
- Businesses with 15 or fewer **full time equivalents** will qualify for the program.
- We will require a short narrative on how this assistance fits into the business's plan to operate over the next six months
- Applicant must be applying for other state and federal money but do not need to have any in hand yet.
- Provide a description of other steps you are taking to counter the financial strain such as loan modifications, lines of credit being used, rent concessions, and reductions of ongoing personal expenses during the recovery period.

**APPLICATION PROCEDURE**

Please complete the application and return it to garys@ci.waseca.mn.us Electronic applications are preferred as the Economic Development staff is working remotely from City Hall. Hard copies can be submitted if necessary to:

Waseca EDA
508 S. State St.
Waseca MN 56093

The Loan Committee will meet at least once per week to review applications and make recommendations. The full EDA board will meet within three working days to consider approval of the applications. The City of Waseca Finance Department will expedite disbursements as quickly as possible.

**RESTRICTIONS**

Because of the limited pool of funds available, and the guidelines that are required when using public funds, the following restrictions apply to the use of the WASECA COVID-19 RLF Program funds:

- The project must be located within the City of Waseca
- No refinancing of existing business debt can be done.
- Assistance with this loan is restricted to businesses having no more than fifteen full time equivalent employees prior to March 15, 2020.
- Applicant must also be applying for other assistance through State of Minnesota and Federal programs.

**APPROVAL CONSIDERATIONS**

Because of the limited amount of funds available, the Loan Review Committee will take things into consideration when asked to approve a loan. While the following points are not restrictions, they are examples of parameters that are measured when deciding whether a project meets the goals of the Fund:

- The Emergency Loan Fund loan cannot exceed $10,000.
- The funds can be used for any reasonable purposes that are allowed by Minnesota State law to help the business survive the financial stress caused by COVID 19.
- Meeting the loan criteria does not guarantee a loan will be given nor that full requests can be honored.
- People with ownership interests in more than one Waseca business may apply for more than one loan subject to the following:
    - Ownership interest shall be defined as 20% or more within the household
    - Applications for all businesses concerned must be submitted for consideration at one time

    - The businesses shall be ranked in priority by the borrower.
    - The maximum total amount loaned for all of the related applications shall total no more than $15,000.
- All loans are subject to availability of funds.

**REQUIREMENTS OF LOAN APPLICANTS**

Individual consideration is given to each applicant, and as such the requirements will vary from project to project. In general, the following conditions will apply:

- No loan fee will be charged.
- Applicants should be aware that basic information provided in the application procedure is public information and could be available to persons outside the application process if requested. The information is made available only to the members of the EDA Board as part of the normal review process.
- Applicant will authorize credit checks and give their lenders permission to release confidential information to EDA staff if needed for loan consideration.
- Applicant will provide their Federal and State Employer Identification Numbers, Social Security Numbers of all principle owners, and the bank account routing number where funds are to be deposited as part of the application.
- The business owners will be required to provide personal guarantees for the loan amount subject to any waiver or forgiveness stated in the loan documents.
- Collateral for the loan will be taken, although the EDA may approve a position subordinate to another lender.
- Hazard insurance on the collateral, naming the Waseca Economic Development Authority as loss payee, and proof of workman's compensation insurance must be provided.
- The EDA can request other pertinent information if needed while considering the application.
    - Completed applications for other assistance such as the Small Business Emergency Loan Program from the State of Minnesota (https://mn.gov/deed/business/financing-business/deed-programs/peacetime/) and Emergency Injury Disaster Loan Program from the Small Business Administration (https://www.sba.gov/disaster/apply-for-disaster-loan/index.html) shall be included with this application.
- Loan recipients will **NOT** be required to submit financial statements as a condition of their loan.
    - Borrowers **WILL** disclose any significant financial challenges unrelated to the COVID-19 response that may jeopardize the business and/or repayment ability.

**Business Information**

Name and address of business:
_____
_____
_____
_____
_____

Type of Business:
_____

Date Established:
_____

Email: _____
Telephone Number: _____ FAX Number: _____

Structure of Business:
Proprietorship: ☐ Corporation: ☐ Partnership: ☐

Federal Employer ID Number: _____ State Employer ID #: _____

**Business Owners Names and Addresses:**

1. _____ Title: _____
   _____ Ownership Percent: _____
   _____

2. _____ Title: _____
   _____ Ownership Percent: _____
   _____

3. _____ Title: _____
   _____ Ownership Percent: _____
   _____

Are the owners of the company willing to disclose their personal financial condition and sign personal guarantees? **(This is a program requirement.)** Yes ☐ No ☐

**Requested loan information:**

Loan Amount: _____

How much is needed:
Immediately $_____

In 30 days $_____

In 60 Days` $_____

Term: _____

Up to twenty-four months for loan principal of $2500 or less, up to forty-eight months for loan principle from $2501 through $5000, and up to sixty months for loan principal more than $5000.

Briefly describe your current business and how this loan will be used in conjunction with other financial assistance available to sustain the business for up to one year with anticipated reduced revenue from sales.

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

(Attach additional pages as necessary)

**Business Costs**

Payroll (including owners) $ _____
Inventory $ _____
Utilities $ _____
Working Capital $ _____
Other $ _____

**TOTAL** **$** 0.00

**Funding Sources**

Proposed Waseca
Emergency Loan $ _____
Owners other resources $ _____
Bank Loans (new) $ _____
Other Financial Institution $ _____
Other Public Funding* $ _____
*Include Minnesota and Federal programs

**TOTAL** **$** 0.00

Bank 1 Name and Address:
_____ Contact Person: _____
_____ Telephone Number: _____
_____

Bank 1 Name and Address:
_____ Contact Person: _____
_____ Telephone Number: _____
_____

1. Have you or any officer or owner of your company ever been involved in bankruptcy or insolvency proceedings?
Yes ☐ No ☐

2. Are you or any officer or owner of your business involved in any pending lawsuits or judgements?
Yes ☐ No ☐

3. Does your business have any subsidiaries or affiliates? (Include financial statements with explanations.)
Yes ☐ No ☐

4. Do you buy from, sell to, or use the services of any concern in which someone in your company itself has a significant financial interest?
Yes ☐ No ☐

I hereby pledge that this project will be completed in accordance with the terms and conditions of this application, if approved and funded.

_____
Applicant's Name (type or print):

_____
Signature of Applicant:

Date of Application: _____

**AUTHORIZATION FOR RELEASE OF FINANCIAL INFORMATION**

_____(borrower), hereby authorizes any third party to release to the Waseca EDA and the WASECA COVID-19 RLF, without limit, any and all financial information regarding _____(borrower) that is requested by the WASECA COVID-19 RLF, its representatives or employees, and that is the possession of that third party or readily accessible to that third party.

This Authorization to Release Financial Information specifically includes records and information prepared or compiled prior to the date of the signing of this Authorization and records any information prepared after the date of the signing of this Authorization.

_____ (borrower), hereby authorizes release of said records and information by the WASECA COVID-19 RLF, to a third party, as deems necessary.

A photocopy of this signed Authorization shall be treated in the same manner as the Original.

Upon full repayment of the loan obligation of _____ (borrower), to the WASECA COVID-19 RLF, this Authorization shall automatically expire without any express written revocation need on behalf of_____ (borrower).

_____

(Signature of Owner or Chief Executive Office and Title)

## CREDIT AUTHORIZATION

I hereby authorize the Waseca EDA or its agents to investigate my credit record. I authorize any person, broker or consumer reporting agency to complete and furnish to you any information it may have in response to your credit or employment inquiries.

_____

Signature

_____

Printed Name

_____

Social Security Number

_____

Current Address

_____

City, State, Zip Code

**This application and the terms specified were approved March 30, 2020 at a Waseca Economic Development Authority meeting to provide rapid financial relief for small businesses due to restrictions on businesses that are allowed to be open. Modifications to the application and loan terms will be made if needed to comply with recommendations from the City Attorney.**