



Rock County COVID-19 Emergency Small Business Loan Fund (SBLF)

PURPOSE

The purpose of the Rock County COVID-19 Emergency Small Business Loan Fund (SBLF) is to assist small businesses in Rock County that are experiencing financial difficulties which are directly attributed to the global COVID-19 pandemic. The maximum loan amount available to an eligible applicant will be capped at \$20,000; and the proceeds from that loan will be weighted toward small businesses that are seeking bridge and/or long-term, permanent working capital financing to help stabilize, sustain, strengthen or restart their operations

ELIGIBILITY

The program is open to all for-profit, private-sector businesses in Rock County with 20 or fewer employees; that have 12-months of consecutive business history in Rock County; with revenues less than \$1 Million annually; considered in good standing; and that can document at least a 25% decrease in revenue due to COVID-19 related impacts. Funding will be prioritized for service producing businesses – particularly those that are independent (i.e. non-franchise) and businesses that support the hospitality and business services sectors, respectively. Additional priority will be weighted toward businesses that are seeking bridge financing to help stabilize, sustain, strengthen or restart their operations. A small business owner or group, may only apply to the SBLF once – regardless of how many different businesses are affiliated, managed and/or owned by said individual(s) or group(s).

Business that are categorized as, or engaged in, any of the following activities are not eligible for the SBLF: hobby, part-time and/or home-based businesses; franchises, membership-based or foreign-owned establishments; non-profits, government, religious institutions and educational providers; Class A licensed alcohol establishments, registered tobacco businesses and firearms dealers or sales; gambling, lobbying, management of companies, media, piercing, real estate and tattoo establishments; and as well as other businesses generally considered to be detrimental to Rock County's public, health, safety and welfare.

LOAN AMOUNTS, TERMS & USES

The maximum loan amount will be \$20,000; interest rates will be capped at two percent (2%) and loans will have a six-month deferral period for principal and interest payments, from the date of the loan's distribution. The maximum term of the loan shall not exceed five years or 60-months. No pre-payment penalties will exist; and there will be no application or origination fees. Monthly late payment fees and loan default processes will apply, accordingly. Collateral will be required; and personal guarantees will be required from any applicant that has more than 20% ownership in said business.

The loan proceeds may be used for stabilizing, sustaining, strengthening or restarting a business that has been negatively impacted by the COVID-19 crises. Specific examples of approved uses include: payroll, mortgage, rent, utilities and/or supplier or vendor obligations; purchase order fulfillment; equipment, commercial-use vehicles and/or machinery purchases; job retention/creation and training activities; and serving as a bridge, or funding match, to leverage other COVID-19 related financial programs. SBLF resources cannot be used for: refinancing existing debt; reallocating funds to non-Rock County businesses or other non-COVID-19 related obligations; speculative investments or predatory sales activities; retail floor plan financing; paying owner's salaries or investor dividends; and other uses deemed inconsistent, or in conflict, with the purpose of the SBLF.



APPLICATION & REVIEW PROCESSES

Applicants must apply online at www.rocksbloan.com; and the application period is set to open on April 24, 2020. Applications will be accepted and reviewed on a rolling basis. The approximate timeframe from the receipt of a completed application to notice of a funding decision is projected to be approximately three weeks. Once the fund is depleted, and if no other sources of capital surface to recapitalize the SBLF, the direct lending function of the program will no longer exist.

Since the goal is to expedite the review of the SBLF applications, and to release funding in a timely basis, only completed applications will be processed. Incomplete applications will be required to submit any and all missing application info and/or supplemental information before they will be reviewed.

The following list represents a summary of the types of information and required documentation (in PDF format) that applicants will or may be required to provide:

- Name of the applicant, business and legal entity (if different); ownership structure of the business; the physical address of the business; the number of years the business has been established; number of employees; the amount of SBLF support requested; a brief description of how the COVID-19 pandemic has impacted the business; and confirmation of other forms of COVID-19 financial assistance applied for, received, etc.
- Copies of the business W-9 Taxpayer Identification Number, WI Department of Revenue's Business Tax Registration, WI Department of Financial Institution's Registration, and Certificate of Insurance certificates.
- Copy of applicant's WI driver's license (front and back).
- Copies of year-end and quarterly financial documentation for YR 2020, 2019 and 2018. This documentation must include balance sheets, as well as profit and loss statements; and be prepared in accordance with Generally Accepted Principles and Practices (GAPP).
- Additional documentation may include: points of sales reports, quarterly payroll and/or sales tax filings, annual tax returns, etc.
- Authorization and approval for credit and criminal background checks.

Applicant updates and communications will derive from Rock County's Planning & Development Department, as they are serving as the SBLF administrative, fiscal and program manager. Meanwhile, a seven-member, Rock County COVID-19 Emergency Small Business Loan Fund Committee (LFC) will be responsible for SBLF program oversight, policy and loan decisions – which are final and not subject to any type of appeal or re-review, etc. Furthermore, as COVID-19 recovery conditions change, so too may the SBLF's policies, procedures, loan terms, etc. If and when these changes surface, those provisions will apply to new SBLF applicants and not existing borrowers.

An approved electronic Account Clearing House (ACH) platform will be used for disbursing loan proceeds, as well as collecting loan repayments. If and where extraordinary circumstances prevent the use of an ACH exchange, approved alternative methods may be considered by the LFC on a case-by-case basis.

For additional SBLF questions, please send an email to planning@co.rock.wi.us or call 608.757.5587.