

Barre Revolving Loan Fund Covid-19 Loans

Purpose: To assist existing Barre businesses and organizations negatively impacted by the COVID-19 pandemic and resulting Stay Home Stay Safe Executive Orders. BRLF may consider assisting a new Owner of an existing business but may request additional information and collateral than what is required below.

Loan Amounts: \$5,000 to \$15,000

Eligible Borrowers: Both for-profit businesses and nonprofit entities in Barre Town and Barre City with up to 20 full-time equivalent employees and annual gross revenues not more than \$1,250,000. Borrower must show at least a 50% loss of revenue for any month of March, April, May of 2020 compared to the same month in 2019 that results from Covid-19 virus.

Term: Up to 5 years

Interest Rate: 1% fixed for the term of the loan. The first 6 months of payments will be deferred. Loan will fully amortize over the remaining term not to exceed 5 years.

Loan Origination Fee: of 2% of loan amount with maximum to be paid of \$300.

Collateral: Personal guarantee of loans up to \$5,000 and UCC filings on loans over that amount along with a personal guarantee.

Allowable Uses: Fixtures, Equipment and Working Capital with specific uses of funds described such as inventory, accounts payable, rent, utilities, marketing, and payroll going forward. Payment of debt proven to be business related will be considered. Borrower must certify that they are not delinquent in municipal, State or Federal taxes and provide the following in an application.

- Profit and Loss Statement for any month of March, April, May of June of 2020 to be for comparison with 2019 and most recent business tax return for either 2018 or 2019. Sole Proprietors, independent contractors or self-employed individuals will provide their 1040 Personal Income Tax Return. Nonprofits must submit their most recent 990. Documents submitted to SBA or commercial lenders will be accepted.
- Statement of Impact from COVID-19.
- Documentation to verify revenue loss of at least 50% of for any of the months of 2020 compared to the same month in 2019
- A signed Credit Report Authorization form.
- Number of full-time employees and part-time employees prior to pandemic.
- Amount of funds received or approved, if any, from SBA PPP or EIDL programs.
- Explanation how SBA Funds were or will be spent.
- Any State or Federal Unemployment Income to Owner or Principals of the Business.
- Description of business, its history and the products and services provided.
- Type of Business Entity, Sole Proprietor, LLC, S Corp, C Corp.

- Disclosure of all Owners
- Projections of Income and Expenses for the next 2 years for businesses requesting loans of \$10,000 or more.
- Any additional information as may be required to analyze the loan request.

Funding Availability

The total amount of funds available for lending is \$75,000 for these eligible uses and terms. Applications will be accepted until December 31, 2020.

Underwriting

Applications will be reviewed in accordance with these guidelines and terms by the Vermont Community Loan Fund (VCLF) and recommendations will be made to the Town of Barre for potential lending.

To submit an application contact: dan@vclf.org or (802) 279-1931