



RDC COVID-19 DISASTER RELIEF FUND LOAN TERM SHEET

Contact: ECIDA (716) 856-6525 ext. 219

Expiration Date	December 31, 2020
Disaster Declaration Requirement	FORMAL DECLARATION BY FEDERAL, STATE, OR COUNTY AUTHORITIES OF A DISASTER SITUATION WHICH RESULTS IN ECONOMIC INJURY TO BUSINESSES LOCATED IN ERIE COUNTY
Strategic Loan Plan Fund Amount - Total (Sub Fund for retail classified industries)	\$2,000,000 \$500,000 – ALLOCATED FOR RETAIL BUSINESSES
Loan Committee/Approval Process	EXPEDITED APPROVAL PROCESS FOR QUALIFIED APPLICANTS
Sub-Fund Project Description	ASSISTANCE TO ERIE COUNTY BUSINESSES FINANCIALLY IMPACTED BY A FEDERAL, STATE OR COUNTY DECLARED DISASTER OCCURRING EITHER IN OR OUTSIDE OF ERIE COUNTY
Eligibility	<ol style="list-style-type: none"> 1. FOR-PROFIT BUSINESSES ONLY (NO RESIDENTIAL) IN OPERATION A MINIMUM OF 2 YEARS 2. BUSINESS LOCATED IN ERIE COUNTY 3. ABLE TO DOCUMENT ECONOMIC INJURY DUE TO A DISASTER DECLARATION SITUATION 4. BUSINESS AND PRINCIPALS MUST HAVE ACCEPTABLE CREDIT HISTORIES AND CREDIT SCORES PRIOR TO THE NEW YORK STATE EMERGENCY DECLARATION 5. RDC STAFF WILL DETERMINE COMPANY’S ABILITY TO RE-PAY THE LOAN 6. LOANS ARE NOT INTENDED TO REPLACE LOST PROFITS, EQUIPMENT OR FOR EXPANSION 7. MUST HAVE EMPLOYED 5 FULL TIME EMPLOYEES [OR EQUIVALENTS] AS OF MARCH 1, 2020
Application and Closing Fees	APPLICATION FEE IS WAIVED. BORROWER IS RESPONSIBLE FOR LENDER’S COUNSEL FEES, UCC FILING FEES, AND CREDIT REPORT COSTS. THESE EXPENSES CAN BE DEDUCTED FROM THE LOAN PROCEEDS
Standard Lending/Repayments Terms	INTEREST-ONLY PAYMENTS FOR UP TO 12 MONTHS. AFTER EXPIRATION OF INTEREST ONLY PERIOD, THE OUTSTANDING LOAN BALANCE WILL CONVERT INTO A 3-5 YEAR TERM LOAN
Minimum/Maximum Amounts	\$10,000 / \$50,000
Interest Rate	\$2.5% - FIXED FOR THE TERM OF THE LOAN (LOWEST INTEREST RATE ALLOWED BY THE RDC’S FEDERAL REGULATIONS)

Use of Funds	FUNDS MAY BE USED FOR <u>WORKING CAPITAL PURPOSES ONLY</u> . EXAMPLES OF WORKING CAPITAL ARE ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE, PAYROLL, RENT, INSURANCE, UTILITIES, ETC.
Job Creation/Retention	AT LEAST FIVE (5) FULL-TIME EQUIVALENT JOBS AT MARCH 1, 2020. MUST RETAIN ALL JOBS AT TIME OF APPLICATION
Collateral Requirements	MUST BE SECURED TO THE EXTENT POSSIBLE. A LIEN ON ALL BUSINESS ASSETS MAY BE REQUIRED AT A MINIMUM
Billing/Servicing	PRINCIPAL AND/OR INTEREST PAYMENTS REQUIRED BY DIRECT DEBIT FROM A BUSINESS BANKING ACCOUNT
Delinquencies	BUSINESS MUST HAVE BEEN CURRENT WITH ANY EXISTING BORROWINGS, PRIOR TO DECLARED DISASTER EVENT
Funding Timeline	UP TO 45 DAYS FROM THE RECEIPT OF ALL REQUIRED DOCUMENTS
Loan Application	STANDARD ECIDA/RDC BUSINESS LOAN APPLICATION
Financial and Business Information	<ul style="list-style-type: none"> • BUSINESS PLAN [OR BRIEF DESCRIPTION AND HISTORY OF BUSINESS] • REASON FOR APPLICATION: HOW HAS YOUR BUSINESS BEEN FINANCIALLY AFFECTED BY THE PANDEMIC? • MOST RECENT BUSINESS FEDERAL TAX RETURN, INCLUDING ALL SCHEDULES. IF 2019 TAX RETURNS ARE NOT AVAILABLE, PROVIDE 2018 TAX RETURNS AND INTERNALLY PREPARED 2019 YEAR END FINANCIAL STATEMENTS • INTERIM PROFIT /LOSS STATEMENT AND BALANCE SHEET • PERSONAL FINANCIAL STATEMENT FOR ANY INDIVIDUAL OWNING 20% OR MORE OF THE BUSINESS • SCHEDULE OF ALL EXISTING BUSINESS DEBT • DECLINATION LETTER FROM BANK OR LENDING INSTITUTION • FEDERAL REGULATIONS ACKNOWLEDGEMENT FORM • ORGANIZATIONAL/LEGAL DOCUMENTS <ul style="list-style-type: none"> CORPORATIONS: <ul style="list-style-type: none"> ▪ CERTIFICATE OF INCORPORATION ▪ BYLAWS AND BORROWING RESOLUTION LLCs: <ul style="list-style-type: none"> ▪ ARTICLES OF INCORPORATION ▪ OPERATING AGREEMENT AND BORROWING RESOLUTION • OTHER FINANCIAL INFORMATION THAT RDC STAFF DEEMS APPROPRIATE
Guarantee Requirements	REQUIRED FOR ALL INDIVIDUALS OF THE BUSINESS OWNING 20% OR MORE
Insurance	REQUIRED WHEN INSURABLE BUSINESS OR PERSONAL ASSETS ARE PLEDGED AS LOAN COLLATERAL
Equity Requirements	NO MINIMUM EQUITY
Closing Document Preparation	PREPARED BY RDC COUNSEL