



COVID-19 Emergency Business Loan Relief Program

What is the COVID-19 Emergency Business Loan Relief Program?

The COVID-19 Emergency Business Loan Relief program was designed by Mayor Billy Barlow and the City of Oswego's Economic Development team to offer immediate relief to small businesses in Oswego. The COVID-19 Emergency Business Loan Relief Program makes available \$250,000 in emergency loan funding to Oswego small businesses of 25 employees or less to assist with business operations during the current pandemic. There will be 25 loans available of \$10,000 per loan, thus assisting 25 Oswego small businesses.

Purpose of the Loan Fund:

(a) prevent staff reductions; (b) allow business operations to continue, if possible;
(c) offset losses related to the Coronavirus/COVID-19; and (d) help businesses sponsor sick pay for workers.

Who is eligible?

Commercial, for-profit businesses located within the City of Oswego which employ 25 employees or less. Eligible businesses must meet the additional criteria:

- Evidence that the business operates with a physical "storefront" location within the City of Oswego
- Evidence that the business operates (operated pre-pandemic) with regular, posted hours of business
- Can provide a detailed narrative describing the economic impact due to the pandemic

Examples of businesses that will be given priority include locally owned small retail, locally owned restaurants and locally owned specialty service providers.

How can businesses apply?

The loan application will be made available on the City of Oswego website, www.oswegony.org, beginning Monday March 23, 2020.

When will loan requests be reviewed?

A review of loan applications will begin immediately. All loan applicants will receive a decision within 10 business days of application. Approved loans will be disbursed within 10 business days once approved.

What is the cost of applying for the program?

There is no cost to apply. There are no closing costs. Loans will be provided at 0% interest and will be payable until the maturity of the loan up to 20 months starting September 1, 2020. Loans that are unable to be paid off at the end of the 20-month period can be restructured and converted into a low interest loan with a competitive rate.

Program Protocol and Procedures

Loan applications will be reviewed to identify and prioritize which loans will have the greatest impact on economic resiliency. The required materials to submit will be included on the City of Oswego website and via email as part of the application process. Current and/or past loan history with the City of Oswego's Commercial Loan Program will be used, in part, to determine credit worthiness as applicable. All loans will be approved for disbursement by the Commercial Loan Review Board of the City of Oswego.

Loan Collateral & Security

All applicants owning 20% or more of the business entity will be required to execute a personal guarantee. All loans will be structured to mature in 20 months starting from September 1, 2020, to be paid in regular monthly installments of \$500/month. At the end of the 20-month repayment period, those businesses may request to convert the loan into interest bearing loan (if alternate loan payment arrangements have been made with the City of Oswego and a balance remains on the approved emergency loan), which may require additional collateral as part of the loan restructure (corporate guarantee, UCC-1 filing, mortgage, etc.)