



408 2nd Ave SE, Medford, MN 55049
(507) 455-2866

Medford Economic Development Authority

Emergency Loan Program in Response to COVID-19

Program Description: The Medford Economic Development Authority (EDA) is announcing a City of Medford EDA Local Emergency Loan Program in response to COVID-19. The objective of this loan program is to support small businesses in Medford that are affected by the economic climate surrounding COVID-19. The goal of this loan is to maintain and stimulate current businesses by better enabling them to meet their ongoing commitments (expenses) during this unprecedented situation. Applicant will be required to provide supporting documentation of the request of loan disbursement. Disbursement of loan funds are subject to review. Loans may not be used to refinance any debt existing before the peacetime emergency declaration. The EDA has the authority to perform a credit check as part of the review process. Applications will be reviewed by the EDA loan committee.

Where there is a conflict or ambiguity between this program and the standard EDA Revolving Loan Fund (RLF) guidelines, the standard RLF guidelines shall prevail.

The loan may not be used to pay taxes, assessments and/or utilities existing at the time of the peacetime emergency declaration (3/13/2020). Past payment history will be a factor when deciding approval for this program.

OPENING DATE FOR ACCEPTING APPLICATIONS: Wednesday, June 24, 2020

To apply for this loan, please bring this completed application and the documents listed on the Checklist below to Medford City Hall. These documents can also be scanned and emailed to Andy Welti, Medford City Administrator at medford@medfordminnesota.com or sent via USPS to Medford City Hall, 408 2nd Ave SE, Medford, MN 55049.

Applicant Information

Business Name _____

Contact: _____ Title: _____

Address: _____

Street Address

City

State

Zip Code

Phone: _____ Mobile: _____

Email: _____

Federal I.D. Number: _____ OR Social Security Number: _____

Sole Proprietorship _____ Partnership _____ Corporation _____ LLC _____

Loan Information

- This is a 30 month loan granted upon approval. The first six (6) months will be interest free with no payment obligations.
- After the first six (6) month payment deferral, the outstanding balance will be amortized over 24 monthly payments with a fixed rate of 2%.
- No loan processing fees will apply.
- Collateral will be required for the loan and the cost of placing the lien on the collateral will be at the expense of the borrower(s).
- If the applicant is other than an individual or sole proprietorship, anyone with ownership in excess of 20% will be required to sign a personal guaranty.
- All eligible applicants must have a physical, commercial location, whether owned or leased, that is located in the City of Medford.
- If the Applicant is an individual or sole proprietorship a "Certificate of Assumed Name" must be provided.
- If the applicant is other than an individual or sole proprietorship, the applicant must be registered and in good standing with the Minnesota Secretary of State and have been in business since December 1, 2019, and must provide their Articles, Bylaws, and tax identification number for the business.
- Eligible applicants must be current with Steele County taxes and City of Medford utilities.
- Upon default of the loan, it immediately becomes due and payable in full.
- Applicants shall be required to repay the outstanding loan amount if they sell, close business, or transfer ownership of the business within the term of the loan.
- The loan may be paid in full before the end of the term without penalty.

Loan Amount

Minimum loan amount is \$2,000 and the maximum loan amount is \$5,000. EDA approved loans will be paid out on a first come basis until December 31, 2020, or until the \$30,000 fund pool is exhausted, whichever comes first. The amount of the loan shall be based on demonstrated need.

Estimated revenue lost due to disaster:

Please specify the loan amount you are applying for: _____.

The payment schedule shall begin six (6) months following the closing of the loan.

An account will be considered delinquent if for any reason the full monthly payment due is not received by the due date.

Use of Funding

This loan program is only to be used to maintain normal on-going commitments (expenses) that are affected by COVID-19 business disruptions (ex: payroll, operating expenses, inventory, lease or mortgage payments, utilities, property tax payments and other working capital expenditures).

Please provide a brief description of how your business would utilize the funding if obtained. (Attach additional sheet if needed).

Intended Use of Funds: This EDA Emergency Loan Program in Response to COVID-19 is for the purposes expressed in this application. If funds are not used for purposes indicated by, then the loan balance will be immediately due and payable.

Checklist of Additional Information

- 2018 Financial statements or tax returns.
- 2019 Financial statements or tax returns, if available. If not available, company prepared Profit-and-Loss Statement (income and expense statement) and Balance Sheet for 2019 (or since business start if operating less than 12 months). All information must be for the operating company.
- 3 months itemized operating expenses – rent or mortgage, inventory payroll (do not include currently laid off employees), and working capital. If seasonal the second quarter of 2020, use second quarter of 2019.
- Schedule of Liabilities (Notes, Mortgages, etc.) – Note: Please complete the attached spreadsheet.

**Additional items as deemed necessary by the EDA may be required.

Signature

This application and financial statements submitted for the purpose of obtaining and maintaining credit with the City of Medford, is accurate, true and complete. The information in this statement is a fair depiction of my/our financial condition as of the indicated date. I/we agree to notify the City of Medford in writing of any significant changes that occur to my/our financial condition. I/we authorize the City of Medford to make any and all necessary inquiries of my/our credit in connection with my/our personal and/or business financial statements. I/we understand the City of Medford will keep this personal and/or business financial statement even if an approval of credit is not obtained. By signing, I certify that the funds requested are in conjunction to any anticipated losses in revenue due to the COVID-19 crisis. Also, by signing, I agree to give BOTH a consent to Medford EDA Loan Committee a personal and/or credit report, AND a Personal Guaranty to guarantee full payment within the term of this loan.

THE UNDERSIGNED CERTIFY THAT THE INFORMATION CONTAINED ON THIS LOAN IS ACCURATE AND TRUE IN ALL RESPECTS.

Applicant Signature: _____ Date: _____

Co-Applicant Signature: _____ Date: _____