



## GPCOG Rapid Response Micro Loan Program

**Program Purpose:** To provide financial assistance to regional businesses most impacted by COVID-19, which are in danger of closing, have laid off workers, or have had to close temporarily. Funds available are not intended to substitute for available COVID-19 federal and/or state commercial financing if a business is able to access one or both.

### Program Guiding Principles:

1. Get working capital moving as soon as possible
2. Make application and participation as simple and easy as possible
3. Make review, approval, and management as easy as possible.
4. Maximize potential co-benefits in support of community resilience

**Program Funds: \$250,000 from** Unrestricted funds, capped at \$250,000 for the first round of the program.

**Uses of Loan Funds:** Rent, utilities, inventory and payroll, (Working capital)

**Loans up to \$ 10,000 per business:** No application fee; Commitment fee: 0.5%

**Community Resilience:** Participating businesses may be eligible for up to 25% of forgiveness if: there is demonstrable participation in the Greater Portland Resilience Exchange, or at least 1/3 of the employees (or number of jobs) that were on the payroll on February 1, 2020 are back on the payroll or remained on the payroll.

**Interest Rate and Term:** 0% interest rate through the first 2 years. After 2 years, the interest rate will be 2% with a maximum 5 year term for repayment. Loan payments begin 6 months after closing the loan. Commitment Fee of 0.5%.

### Eligibility

- All member municipalities of the Greater Portland Council of Governments. To check whether your municipality is a member, please visit [www.gpcog.org](http://www.gpcog.org).
- **PORTLAND BUSINESSES:** Please contact the City of Portland's Loan Program via Nelle Hanig: [nrh@portlandmaine.gov](mailto:nrh@portlandmaine.gov), prior to applying for the GPCOG Micro Loan Program.
- Demonstrate efforts to secure other available federal and state emergency loan program assistance is not available to assist the company.

### Required Submittals

1. Business Name – Application (this application)
2. 2018 Business Income Tax Return  
*2.1 2018 Personal Tax Return*
3. 2019 Business Tax Return OR 2019 Management Prepared P&L and Year-End Balance Sheet  
*3.1 2019 Personal Income Tax Return, if completed*
4. 2020 Management Prepared P&L and Balance Sheet



5. Personal Financial Statement (Form Attached)
6. A copy of your business' first payroll from February 2020
7. Business Plan, *optional*

### **Security for Approved Loan**

- Unlimited personal guarantees from all with ownership of 20% or greater;
- UCC-1 on all business assets regardless of lien position relative to other lien holders

**Schedule and Process:** Expedited loan closing after complete loan application package is received by staff. Application Package to include:

- Completion of 2 page form: See GPCOG website.
- Copies of the 2018 business and personal Federal Income Tax Returns
- Either a copy of the 2019 business Federal Income Tax Return or the 2019 management prepared profit and loss statement and year end balance sheet.
- The 2020 year to date management prepared profit and loss statement and balance sheet
- Copy of the 2019 personal Federal Income Tax Return if completed
- A current Personal Financial Statement (form attached)
- Any other information, to include an existing business plan, that will help to better understand the business

**Program Sunset:** December 31, 2020 or when funds are committed if sooner.

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