



Assistance to Small Business: Small Business Emergency Loan Program

The purpose of this loan program is to provide financial relief to small businesses that are seeing a downturn in sales activity due to the COVID-19 pandemic. The program is intended to help businesses keep their employees and stay afloat during a time of economic hardship. It is meant to bridge the gap for what may be a shortened financial hardship period.

The City of Danville and Industrial Development Authority of Danville, Virginia aim to provide as much relief as possible, but loan approvals will be limited during a high-volume application period. All businesses will be required to apply for the Small Business Administration's Economic Injury Disaster Loan (EIDL) Program prior to applying for this funding, as the EIDL program has a larger loan and payback period.

Loan Program Guidelines:

Qualifications:

- Must be independently owned and located within the city limits of Danville, Virginia
- Have a maximum of 75 full- and part-time employees
- Show historic profits were sufficient to pay loan (prior to March 12, 2020)
- Show that sales have decreased by 25%
- Must apply for the SBA Economic Injury Disaster Loan Program prior to applying for this program (The Longwood Small Business Development Center can provide businesses with technical assistance for this application.)
- Must contact their local lender prior to applying for this program

Availability of Funds:

- Loan range: \$5,000 - \$20,000
- Limit to one loan per qualifying business
- Limited funding is available

Loan Terms:

- 1 year – 0% interest
- 3-5 years – 3% to 5% interest (based on creditworthiness)
- Loans can be used ONLY for working capital (i.e. payroll, rent, etc.), marketing, and inventory
- Repayment will be deferred for approximately 90 days after the City Manager declares that the local state of emergency has been lifted.
- Applying for this loan will NOT disqualify you from accessing additional funds from the SBA EIDL Program.
- The funding for the Emergency Loan Program will be disbursed in two separate \$150,000 rounds. The first application period deadline will be Friday, May 1, 2020 at 5:00pm. Completed applications submitted before this deadline will be considered, reviewed and business owners will be notified of their approval status by Friday, May 8, 2020. Funds will be disbursed by the end of the week ending on May 15, 2020.
- Once submitted, applications will be shared with the Longwood Small Business Development Center. Applicants will be assigned to a consultant who will review all documents and offer any technical assistance needed to ensure the application is complete. A staff member of the Danville Office of Economic Development will notify business owners about approval status.