

The Woodstock Emergency Small Business Loan Program was established by the City on March 25, 2020 as a direct response to the economic injuries to local small businesses caused by the nationwide COVID-19 pandemic, and the resulting social-distancing measures. These measures, including State-mandated business closures of brick-and-mortar business locations, have had a tremendous negative impact on the Woodstock small-business community.

The fund allows the City to offer low-interest loans that businesses can use as a quick infusion of working capital or for any other short-term needs as they adjust to the new business realities during and after this crisis. Please note: this program is designed for small brick-and-mortar businesses. It has been requested that the City also consider support for home-based/micro-enterprise concerns and that additional program is currently under review and development.

Maximum Loan Amount. Loan amounts are currently available up to \$5,000 for each brick-and-mortar business address.

Use of Loan Funds: The loan funds shall be used by the Business for purposes of direct benefit to the business including but not limited to uses for such things as payroll, business rent, business insurance and other legitimate business expenses and shall not be used for personal or non-business use. The loan is intended for a business which may have limited access to available lines of credit.

Eligibility. Any small business, which generated at least \$50,000 in gross sales last year, is eligible to apply. Businesses with less than one year of sales history can provide alternate documentation.

Interest Rate. Initially, loans are offered with a one-year grace period with no interest and no payments. After the first year, the loan will bear an interest rate of 3%.

Repayment Terms. The maximum term for a loan is three (3) years beyond the first year (for a total term of not more than four years). There is no penalty for pre-payment of a loan. At this rate and term, the monthly payment will be \$145.41 from May 2021 through April 2024 (for a \$5,000 loan).

Application Process. Every application will undergo the following review process:

1. Applications are submitted to the Economic Development Department and reviewed for completeness. Incomplete applications are returned to applicants and no application will be processed until all required information is provided.
2. Applications are reviewed by the Economic Development Department staff, who will determine if the applicant fits the criteria for which the funds are being made available.
3. Completed applications and staff's findings are forwarded to the Loan Committee. This committee is made up of the City Manager, Economic Development Director and Finance Director. The Committee will review the loan application and associated materials to determine approvals.

Loan Administration. Upon approval, a loan agreement will be executed and funds released. The Finance Department administers the loan and collects payments. No assets will be collateralized as part of the loan, but **each owner of more than 19% of the business will be asked to sign a personal guarantee** as part of the loan agreement.

The loan application package must include all of the following items:

- Completed loan application (attached), including narrative of impacts felt from the COVID-19 event substantiating request for loan funds.
- Signed W-9 and last year's business and personal tax return.
- Documentation of business entity and authorization to enter into loan.
- Copy of driver's license or valid government ID.

**APPLICANT MUST SUBMIT APPLICATION BY EMAIL,
AS CIRCUMSTANCES DO NOT ALLOW ACCESS TO CITY HALL.**

Completed application packages shall be submitted to:

City of Woodstock Economic Development Department
Attn: Emergency Loan
GAnderson@WoodstockIL.gov

Every application is reviewed for completeness and then forwarded to the Loan Committee. **The first review of applications will occur on Tuesday, March 31st.** All completed applications received at this point will be considered for full funding. Any application having incomplete information will not be reviewed by the Loan Committee. **Applications received after this date will be accepted and approved on a first-come first-served basis while funding remains available.** The Loan Committee reserves the right to deny any application at any time. Additional information may be requested by the Loan Committee during its review of the request. You will be notified of your approval/denial within 2-3 days after application closes.

For more information or for assistance in filling out the application, contact:

Garrett Anderson, Economic Development Director
(815) 338-3176
FAX: (815) 334-2267
E-mail: GAnderson@WoodstockIL.gov

The City of Woodstock strongly recommends that applicants take advantage of all resources available during this economic crisis. The Economic Development Department web page www.ChooseWoodstock.com offers a comprehensive listing of local, State and National relief programs which are being offered. Some of these that we highly recommend include:

- The Federal SBA is offering Disaster Assistance loans up to \$2 million.
- The Federal Cares Act is authorizing relief checks to each household.
- The State of Illinois is offering Small Business loans up to \$25,000 and a lottery-based grant for small restaurant and hotel operators.
- The City of Woodstock is offering delayed payments on water bills, liquor licensing, and previous Revolving Loan recipients.

Frequently Asked Questions

- Where can I get documents scanned to send in with my application?
 - The application is designed as a fillable PDF. You should be able to save your answers and email the application as a PDF.
 - We will accept photos of signed documentation. For example, W-9 and signature page of the application form.
 - You can take a picture of it with your phone, please try to keep it high resolution.
- My email was too large. Can I submit in another way?
 - While email is preferred, you may mail the application materials to City Hall, or if needed, we can arrange to upload to Google Drive or Dropbox.
- Will receiving this loan disqualify me from receiving funds from the SBA emergency loan program?
 - No. Applying for this loan will NOT disqualify you for additional funds from the SBA emergency loan program
- What is the maximum amount I can receive?
 - The maximum amount is \$5,000. There is no minimum.
- What is the interest rate?
 - The first year is interest free, after that, the rate is 3%
- When will payments start?
 - Repayment will be deferred for one year after loan is issued.
- What can I use the loan for?
 - The loan can only be used for business expenses, such as payroll, rent, marketing, inventory, etc.
- The \$5,000 doesn't cover my needs. What should I do?
 - We recommend that businesses apply for the Small Business Administration Loan Program, as well as the State of Illinois Loan Program. The City loan is only intended as gap funding to provide quick relief for a limited financial hardship period. Information on the other loan funds can be found at www.ChooseWoodstock.com under Resources.
- What documentation do I need?
 - Signed application via email GAnderson@WoodstockIL.gov
 - Signed W-9 and last year's business and personal tax return
 - Copy of driver's license or valid government ID.
- What year should I submit for tax documents?
 - 2018 tax information if you do not have 2019 tax information
- Do you have further questions or need help with your application? Please email at GAnderson@WoodstockIL.gov.

Eligible Applicants:

- A small business with a brick-and-mortar storefront located in Woodstock, IL
- Have suffered substantial economic injury
- Must be an independently-owned and operated business

Ineligible Applicants:

(Based on SBA rules)

- Lending and Investment Concerns
- Multi-level Sales Distribution (Pyramid) Concerns
- Speculative Activities
- Non-profit Organizations
- Religious Organizations
- Consumer and Marketing Cooperatives
- Not a small business concern
- Gambling concerns
- Political or lobbying concerns
- Pawn shops (when 50% or more of previous year's income was derived from interest)
- Real estate developers
- Life insurance companies
- Government-owned concerns
- Businesses considered as hobbies
- Concerns not located in the City of Woodstock
- Concerns determined to have credit available elsewhere
- Concerns established post-disaster
- Agricultural enterprises

Business Legal Name: _____

Doing business as (DBA) or Trade Name: _____

Business Address: _____

Business Phone: _____

Contact Person: _____

Contact Phone: _____

E-Mail Address: _____

Amount of loan requested from Emergency Small Business Loan Program?

_____ (cannot exceed \$5,000)

How would you like to receive the payment, if approved?

Direct Deposit Routing Number: _____ Bank Name: _____

Check, sent U.S. Mail – to which address? Business Address Alternate Address

Alternate Mailing Address: (NOTE: City correspondence will be sent to the business address above *unless* an alternate mailing address is provided here)

Contact Name and/or Company: _____

Address: _____ **City, State, Zip:** _____

Email Address: _____ **Phone:** _____

Type of Business: Retail Wholesale Office Warehouse Manufacturing
 Services Other: _____

Federal Employer Identification Number (FEIN) or Taxpayer Identification Number (TIN): _____

Company Ownership:

Sole Proprietorship Partnership Private Corporation S Corporation Limited Liability Corporation (LLC)

Name _____ **Address** _____ **% Owned** _____ **Role** _____

1. _____
2. _____
3. _____

Emergency Contact Information: (This information will be made available to our Police and Fire Departments in the case of required emergency access to the building)

Best Emergency Contact: _____

Best Emergency Phone: _____

Building Ownership Information:

____ Own ____ Lease (If leased, provide lease renewal date and Building Owner information below)

Building Owner Name: _____

Building Owner Address: _____

Building Owner Email Address: _____

Owner Emergency Phone Contact: _____

Square Footage Occupied: _____ Lease Renewal Date: _____

Tell us a little about your business.

- a. When did the business begin to operate? __/__/____
- b. When did the business begin to operate in Woodstock? __/__/____
- c. When did you begin operating at your current location? __/__/____
- d. What % of your employees live in: Woodstock ____ McHenry County ____

Describe activities and operations currently performed at your location.

Describe the economic impacts felt from the COVID-19 event substantiating the request including the purposes for which loan funds are needed.

How has this event impacted employment levels at your place of business?

- e. Typical number of employees? Full-time _____ Part-time _____
- f. Number of employees as of this date? Full-time _____ Part-time _____

The loan application package must include all of the following items:

- Completed loan application (attached), including narrative of impacts felt from the COVID-19 event substantiating request for loan funds.
- Signed W-9
- Last year's business and personal tax return.
- Copy of driver's license or valid government ID.
- Documentation of business entity and authorization to enter into loan.
 - A. For Corporations:
 - a. Articles and Certificates of Incorporation.
 - b. Secretary's Certificate of Board of Directors' Resolution Authorizing Loan and execution of the Loan Agreement, Note and related documents.
 - B. For Partnerships:
 - a. Certificate of General or Managing Partner authorizing loan and execution of the Loan Agreement, Note and related documents.
 - b. Certificate of Partnership (for Limited Partnership).
 - c. Partnership Agreement
 - C. For Sole Proprietorship:
 - a. Operating Licenses/DBA Certification.
 - D. For Limited Liability Companies:
 - a. Articles of Organization and Operating Agreement.
 - b. Certificate of General or Managing Partner authorizing loan and execution of the Loan Agreement, Note and related documents.

I/we hereby certify that the information contained in the application and in all accompanying documentation attached hereto are true, to the best of my/our knowledge and are submitted for the purpose of obtaining financial assistance from the Woodstock Emergency Small Business Loan Fund. In conjunction with this request for assistance, I hereby agree to provide such business and financial information as may be required from time to time. The Loan Committee has my/our permission to use this information as is necessary to assist my business needs and to make all inquiries deemed necessary to verify the accuracy of the statements made herein and to determine my/our credit worthiness. The City is authorized to use information about the program and its participants necessary to compile with reporting requirements to the City Council.

Signature

Signature

Title

Title

Date: _____

____ Check this line if you assert the following: "Pursuant to Section 7(g) of the Illinois Freedom of Information Act (5 ILCS 140/7(1)(g)) I hereby assert that the following information submitted with this application constitutes commercial or financial information that I am filing under a claim that this information is proprietary, privileged or confidential and that disclosure of such information would cause competitive hardship to my business. This assertion applies to:

Please note: Signatures, Federal Employer ID Numbers or Social Security Numbers, tax return information, direct deposit routing numbers, signed W-9s and copies of driver's licenses and IDs are not subject to Disclosure under the Illinois Freedom of Information Act.

