



# COVID-19 Recovery Loan Program

*The outbreak of COVID-19 in the Spring of 2020 caused economic hardship for many small businesses in the Southwestern Pennsylvania region. In response, the Southwestern Pennsylvania Commission has established a COVID-19 Recovery Loan program, which is designed to help small businesses in SPC's service area recover from the downturn in revenues that those businesses experienced due to the outbreak.*

*Under this program, small businesses can apply for financing to help pay for current employee salaries, including salaries for those individuals who may have been furloughed due to the outbreak. Businesses can also use the loan proceeds to help pay for rent and utilities, as well as inventory purchases. SPC will consider proof of expenses in any of the three aforementioned categories from the three-month period prior to the onset of the crisis, and those expenses will count towards the loan amount.*

## Program Highlights

1. Maximum loan amount will be \$50,000 loaned to any one business at a time.
2. The interest rate will be set at 0%.
3. Principal and Interest payments will be deferred for the first six months, after which the program will carry a 36 month term.
4. The leveraged capital requirement is waived.
5. The requirement to demonstrate that capital is not otherwise available is waived.

## Eligibility Requirements

1. Businesses must have experienced a downturn in business due to the COVID-19 crisis, with the onset of the crisis occurring after February 15, 2020.
2. Business must be able to operate in some limited capacity following the crisis. Businesses that permanently shut their doors due to the crisis are ineligible.
3. Borrowers must return to 80% of their pre-COVID-19 by the end of the loan's three year term.

SPC's COVID-19 Recovery Loan Program shall be secured via a blanket lien on all of the business's assets, in the highest lien position available.

## Fees

A flat \$50 fee will be due at closing, via check made payable to the Southwestern Pennsylvania Corporation, and the nominal legal fees associated with this program are the responsibility of the borrower.

### **For more information please contact:**

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