

**KNOX COUNTY REVOLVING LOAN FUND**

**EMGERGENCY BUSINESS LOAN DESCRIPTION & TERMS SHEET**

Given the current economic uncertainty caused by the COVID-19 situation, businesses around the country are suffering. While the state and federal governments have done much to prevent business closures there is still a large demand for working capital assistance to local businesses. The Knox County Revolving Loan Fund, a county-wide non-profit financing partner, has created an **Emergency Business Loan** (EBL) for Knox County based businesses that have been impacted by the COVID-19 pandemic.

**Target Businesses & Area:**

Through the EBL, the Knox County Revolving Loan Fund helps finance all private, for-profit businesses operating within the County’s geographic boundaries.

**Program Objectives:**

The program intends to fill short-term working capital “gaps” for for-profit businesses until they can resume stable operations and repay the loan.

**Program Details:**

* This program offers loans NOT grants – All money is expected to be paid back in accordance with the loan agreement
* Maximum loan amount: $10,000
* Loans are unsecured
* 0% Interest
* 1-3 year repayment terms
* Automatic deferral on repayment for 90 days
* Money must be used for working capital
* Loans must demonstrate that the business will retain at least full-time jobs that employ 51% low to moderate income (LMI) individuals
* Businesses must demonstrate a financial need and desire to continue to operate by first applying to a state or federal program specifically designed to respond to the COVID-19 pandemic.

**Approval Criteria:**

* Stable business operations pre-COVID 19
* Existence of a current working capital “gap” demonstrated through cost savings measures & participation in state and/or federal programs
* Verification of application to available federal and/or state programs
* Retention of jobs to LMI individuals in the community
* A business’ ability to repay the loan based on historical financial data.

**Loan Application & Administration:**

Referrals to the program must be made through a qualified Small Business Association lender. **All interested businesses should contact an approved SBA lender first**. Each application is then vetted by a 12-member committee, with final approval by the State. A loan agreement and promissory note will be executed between the borrower and the RLF, setting forth the fixed monthly repayment amount and the conditions for default and available remedy actions.

The RLF is administered by the Area Development Foundation, Knox County’s economic development entity, and funded by federal Community Development Block Grant dollars and private donations. It is intended to promote business retention, growth and employment opportunities, particularly for low to moderate income residents. In response to the unprecedented COVID-19 situation, it has been temporarily repurposed to create the Emergency Business Loan to better meet the immediate needs of Knox County businesses.