



## COTTAGE GROVE EMERGENCY BUSINESS LOAN

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*Community LendingWorks is working in partnership with local, state and federal officials to respond to the adverse economic & market conditions created by COVID-19 and the necessary public health measures to combat the virus.*

*This emergency loan is only one small part of the massive social and economic response needed for this crisis. While we recognize the vast additional need, we have to be realistic about the role we can play.*

*The Emergency Business Loan Is Intended To:*

- *Help businesses remain solvent through the crisis and be ready/able to rebuild;*
- *Fill specific cash flow gaps in businesses' larger efforts to scale down, reduce expenses, and take any additional defensive measures to survive the crisis;*
- *Be paired with additional state and federal resources; please explore every option that might help you.*

*The Emergency Business Loan is NOT:*

- *Intended to replace lost business income;*
- *Intended to fund pre-crisis-level operations;*
- *A mechanism to pay wages of staff that the business can no longer financially support;*
- *For use to pay personal expenses such as rent/mortgage on your residence or personal credit cards;*
- *A low cost business loan for industries relatively un-impacted by the crisis.*

*Eligible Businesses:*

- *Those immediately impacted by public health restrictions;*
- *Must be located in the City of Cottage Grove;*
- *Were generally stable/strong prior to the crisis.*

*Acceptance of this loan includes a commitment to monthly reporting and ongoing technical assistance. All loans are personally guaranteed and in event of loan default, the owner may be liable for the balance of the loan.*

### Proposed Loan Terms

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- Loan Amount \$10,000
- Interest Rate 2%
- Loan Term: up to 60 months
- Loan Fee: None
- Mandatory monthly business check-in
- Repayment Schedule:
  - Months 1-6, zero payments (principal & interest deferred)
  - Months 7-12, interest-only payments
  - Months 13-60, principal & interest term payments

## Initial Required Documents

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- Completed Application
- 2019 Interim Financial Statements
- January 2020 30-Day Interim Financials
- Emergency Plan:
  - Summary of Changes to Business Plan/Model (including how long it's sustainable)
  - Relaunch Plan (if temporarily closed or scaled down)
  - Emergency Operating Budget (include other state/federal grants of loans you plan to apply for)
  - Itemized list of proposed uses of loan funds (including whether 1-time or recurring)
  - Emergency Staffing Plan
  - Marketing Plan
  - How your supply chain is / could be effected by the crisis and your contingency plan

Within a single email, please send initial required documents to: **[emergencycapital@communitylendingworks.org](mailto:emergencycapital@communitylendingworks.org)**

## FAQs - Frequently Asked Questions

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1. Q: Is my business eligible for this loan if our business is operating as usual?  
A: No. This loan is designed to help businesses combat short-term crisis-related adverse conditions.
2. Q: Am I eligible if my business is completely closed due to public health restrictions?  
A: Yes. We understand that businesses may have zero income during this time. We ask that you also explore every possible other measure of support (e.g. forbearance on existing loans, reduction in rent, etc.)
3. Q: What can the loan be used for?  
A: It depends. Each business will have unique needs, so you will need to clearly explain in your emergency plan how the funds will be used and how that will help you through the crisis. It might be covering rent/insurance while your restaurant is closed. It might pay off net 30 invoices from pre-crisis. There are no specific limitations, except that it cannot be used to pay personal expenses. Your application will also be stronger if you are seeking other state/federal aid for which you may be eligible.
4. Q: Are borrowers required to personally guarantee this loan?  
A: Yes.
5. Q: What happens if this crisis extends longer than expected, my contingency plan doesn't work, and I have to close the business permanently?  
A: None of us can predict the duration of extent of this crisis. If your business closes permanently within the next 12 months, we will do our best to work with you on a solution.
6. Q: If I already have a CLW business loan, does this loan release me from my existing loan payments or other financial obligations?  
A: No. Any desire to modify existing loan payments must be requested separately.
7. Q: Do I need collateral for the loan?  
A: No.
8. Q: What happens when/if the loan fund runs out of money?  
A: We expect that this will happen. Applicant information will be recorded for future announcements if additional funds come available.
9. Q: Will this loan impact my eligibility for other government assistance?  
A: Not that we know of, and we will follow other assistance programs closely, to monitor the impact of these loans on other programs. Neither CLW nor our City/County funding partners want anything about this product to block other resources, and can adjust this program accordingly.
10. Q: Can I apply for this loan if I don't have a Social Security Number?  
A: Yes. Please provide your Tax Identification Number in the appropriate application field.



## EMERGENCY BUSINESS LOAN APPLICATION

<i>Business</i>	
Registered Name:	DBA Name:
Phone Number:	Tax ID #:
Email Address:	Number Of Full-Time Employees as of 12/31/19:
Physical Address:	
Mailing Address (If Different From Above):	
Is This Business Woman-Owned?	Is This Business Minority-Owned?
<i>Loan Information</i>	
Amount Requested (\$):	Minimum Loan Amount You Could Accept (\$):
Brief Use of Funds:	
List Any Emergency Assistance Programs For Which You've Applied, Will Apply, Or Were Approved:	
<i>Borrower</i>	
Legal Name:	
Home Phone Number:	Work Phone Number:
Email Address:	
Home Address:	
Previous Home Address (If Less Than 2 Years at Current Address):	
Social Security Number or ITIN:	Date of Birth (MM/DD/YYYY):
Amount of Outside Income (\$):	Share of the Business (%):

Co-Borrower	
Legal Name:	
Home Phone Number:	Work Phone Number:
Email Address:	
Home Address:	
Previous Home Address (If Less Than 2 Years at Current Address):	
Social Security Number or ITIN:	Date of Birth (MM/DD/YYYY):
Current Employer Name:	Income (\$):
Length of Employment (Years, Months):	Share of the Business (%):
Additional Source of Income (Type, Amount):	

*The following items are required for your application to be considered, as detailed in the attached cover sheet:*

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| <i>1. Completed &amp; Signed Application</i>              | <i>2. 2019 Income Statement and Balance Sheet</i>           |
| <i>3. January 2020 Income Statement and Balance Sheet</i> | <i>4. Emergency Plan (details available on cover sheet)</i> |

*I authorize CLW to obtain credit reports and verify any information in connection with this application. I agree CLW may contact me, for all notices and reminders pertaining to my account, by phone at any phone number listed with my account, including cell numbers, which may result in additional charges. I agree to receive text messages, which may result in text messaging rates. CLW may also contact me by sending e-mails, using any e-mail address provided. I can discontinue electronic delivery service at any time by notifying CLW directly.*

Borrower	Date
Co-Borrower	Date

Within a single email, please send completed application and initial required documents to:  
**emergencycapital@communitylendingworks.org**