



Lincolnton Small Business Emergency Loan Program

OVERVIEW

The City of Lincolnton is offering \$300,000 in small business emergency loans to locally owned, non-franchise businesses located within the Lincolnton corporate limits during the COVID-19 state of emergency. Loans to eligible small businesses will be awarded in amounts up to \$5,000 per month for up to three months, not to exceed a total of \$15,000. All loans are intended to assist with business operating expenses until state or federal assistance is available or until the economic crisis passes.

PROCESS

Applications will be reviewed weekly by a panel of city employees from various departments:

- Loan reviews will be on Tuesdays beginning April 14, 2020.
- Loan funds will be released on Fridays after all loan documents and promissory notes are fully executed.
- The loan funds will be by direct payment from the city to the applicants on a first-come, first-served basis.
- The loan terms are 36 months, with interest accruing at 6.75% per annum and will be unsecured.
- Loan payments to the City of Lincolnton will be deferred for the first 12 months, but interest will accrue during the deferred period.
- All loan agreements and terms will be documented by a promissory note as per the city attorney.

ELIGIBILITY

In order to be eligible for this loan program, the business must completely and properly fill out, sign, and submit the online application and:

- Have a physical location inside the city limits of Lincolnton from which the business currently operates or operated as of the State of North Carolina State of Emergency Declaration on March 10, 2020, to provide goods or services to the public
- Have 50 or fewer employees
- Cannot operate a corporate or chain store
- Provide a W9 for the business
- Business must be in compliance with Lincolnton zoning & business regulations
- All applications must be completed and submitted online via the link on the City of Lincolnton website at www.LincolntonNC.org/loan.

WHAT BUSINESSES ARE NOT ELIGIBLE

- Any business not meeting the eligibility criteria as outlined above
- Any business applying for a loan on a physical location where the business does not provide goods or services, but solely leases the location to a tenant
- Any business that would not be able to receive this loan assistance without causing a violation of NC law against conflicts of interest, including businesses that are owned more than 10% by a City of Lincolnton Council member or public officer or employee making or administering this loan program or their spouses