



Small Business Fund COVID-19 Loan Policy

It is the desire of the NARCOG to provide support to small businesses within our Region (Cullman, Lawrence, and Morgan counties) that have been negatively impacted by the COVID- 19 virus. This policy will address new loans only that involve viable businesses that have experienced direct financial impact from the virus. This is not for personal debt or problem loan situations.

The NARCOG COVID-19 Loan does not apply to businesses seeking funding through the CARES Act.

How can funds be used?

Temporary working capital (payroll, inventory, etc.). No equipment or real estate purchases.

Interest Rates & Terms

- Interest only for 120 days, 36 months fully amortized (Terms can be reevaluated after 120 days if COVID-19 still a factor)
- 3% Fixed

Approval

Subject to approval of seven-member Loan Review Committee

Loan Size

Up to \$25,000

Loan Guidelines

- Three years tax returns on business and owners.
- Personal financial statement of owner.
- Signed letter from potential borrower with the following information:
 - 1) How has Borrower been impacted by COVID- 19?
 - 2) What is the financial impact on Borrower in dollar amount?
 - 3) How long does the Borrower anticipate the impact to last?
 - 4) What are the Borrowers recovery plans?
 - 5) What is Borrowers source of repayment of the indebtedness?
 - 6) Verification of payroll expenses

North Central Alabama Regional Council of Government

216 Jackson St. SE, P.O. Box C
Decatur, AL 35602
256.355.4515
www.narcog.org