

Dubuque Initiatives Emergency Loan Program for Small Businesses Impacted by COVID-19 January 2021

Program Guidelines:

Purpose

Dubuque Initiatives, is a sustainable, non-profit organization, working as a community partner and catalyst, to undertake challenging projects involving job creation and/or community revitalization that supports a viable, livable and equitable community.

As part of this mission, and in collaboration with the E.C.I.A. Business Growth, Inc. (ECIA), Dubuque Initiatives is creating a fund to be made available to qualifying local small businesses severely impacted by the dramatic economic changes created by the Covid-19 virus. This fund is initially designed to create loan financing of up to \$10,000 per borrower that qualifying local small businesses can use to cover operating expenses (payroll, lease, mortgage, utility, inventory, supplies); machinery, equipment, physical improvements and renovations including leasehold improvements to meet “social distancing” guidelines and requirements to protect employees and patrons during the COVID-19 pandemic.

There would be no fees charged to the applicant for the use of these funds. The funds will be repaid in a three-year loan. The initial interest rate will be 0% for the first six months with no payments. Then after the first six months the note will call for 30 principal and interest payments monthly at an interest rate of 1.0%.

Eligibility

- The business must be located in the **city of Dubuque**.
- The business must have **50 or less employees (includes owner as employee, also includes locally owned franchises or chains and income producing non-profits)**.
- The business must have a **physical establishment**.
- The business must have experienced a **loss of income** due to COVID-19.
- The business must have been opened prior to February 2020.

The business may qualify for loan assistance of \$10,000. There is no guarantee that you will be funded. The intent of the program is to serve as many businesses as possible.

Ineligible

Businesses that have no physical establishment and were not open prior to February 2020.

Use of Funds

Funds may be used for operating expenses (payroll, lease, mortgage, utility, inventory, supplies); machinery, equipment, physical improvements and renovations including leasehold improvements to meet “social distancing” guidelines and requirements to protect employees and patrons during the COVID-19 pandemic.

Application Process

Applications are to be submitted at <https://tinyurl.com/dbqbridgeloan> a secure website or can be delivered to:

E.C.I.A.
Attn: Dawn Danielson - DBQ Bridge Loan
7600 Commerce Park, Dubuque, IA 52002

The following documentation is needed to process an application:

- Completed Dubuque Initiative Loan Application – signed/dated
- Business Tax Return and year-to-date financial including a balance sheet and profit and loss statement.
- Entity evidence documentation (Articles of Incorporation, Bylaws, Operating Agreement, etc)
- Driver's License of authorized signer(s) for the loan document
- For ACH: Evidence of bank account ownership ie void check or bank statement

Note: Additional items may be requested for approval. Partially submitted data will not be considered or may delay consideration.

Timeline

Applications will be evaluated and decisions issued on a rolling basis as quickly as possible.

FAQ

What is the Dubuque Initiatives Emergency Assistance Fund? This fund is designed to create loan financing of \$10,000 per qualifying local small business to cover operating expenses incurred during the COVID-19 pandemic.

If the Business received funds previously, can the business get another loan? If the business received \$10,000 prior to 10/1/2020 and is in good standing, it is eligible to apply for another loan. Only one new loan per business and its related entities is allowed.

Is this a loan or a grant program? It is a loan fund. We will lend money to a business for its operating expenses. When it repays its loan, we will be able to lend it again to other businesses.

What is the cost to apply? There is no cost to apply. There is no obligation to take the loan if approved.

What can funds be used for? Funds may only be used for the operating expenses of the business. The operating expenses (payroll, lease, mortgage, utility, inventory, supplies); machinery, equipment, physical improvements and renovations including leasehold improvements to meet “social distancing” guidelines and requirements to protect employees and patrons during the COVID-19 pandemic.

What is the funding source for this program & who is administering the program? The program is funded through Dubuque Initiatives, a non-profit organization and it is administered by ECIA Business Growth, Inc.

Where must businesses be located to be eligible to apply? The program will be available to all businesses located within the City of Dubuque meeting the eligibility requirements.

Why must I agree to share financials? The business must provide proof of loss of revenue due to a destabilizing event and evidence that the business was profitable prior to the pandemic.

What size loans will you make? \$10,000 maximum per approved business.

What are the terms and interest rate of the loan? Initial interest rate is 0% for 6 months with no payments. After the six-month deferment period, the loan will have a 1% interest rate per annum with monthly principal and interest payments for 30 months.

What are the collateral requirements? None. Loan is unsecured. Loan will be personally guaranteed by principal owners of the business.

Why must I agree to provide copy of driver’s license for authorized signer? Federal regulation requires a lender to know its customer and to obtain a form of identification from anyone opening an account including signers on an account.

What happens after I upload the PDF file? The business will receive an email within 24 hours confirming that ECIA received its application and is reviewing the request.

Additional Questions? Email: dbqbridgeloan@ecia.org or Dawn Danielson at 563.690.5772