



SMALL BUSINESS LOAN

Do you have a small business in the City of Middletown?
Has it been affected by the Coronavirus Pandemic?
Call us to obtain more information regarding this loan program.

¡Empresarios!

¿Es dueño de un pequeño negocio en la ciudad de Middletown?

¿Se vio afectado por el coronavirus?

¡Llámenos para obtener información sobre nuestro Programa de préstamos para empresas pequeñas!

Las solicitudes están disponibles en La oficina de desarrollo económico y comunitario o por correo electrónico a commdev@middletown-ny.com

16 James Street, 3er piso

Middletown, NY 10940 845-346-4170

www.middletown-ny.com

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For
Coronavirus
Response &
Relief

1. INTRODUCTION

In 1986, the Office of Economic and Community Development (OECD) established and Economic Development Program. The primary purpose of this program is to increase employment opportunities, attract new business and industry and provide an “on site” resource where information related to the aforementioned may be obtained. OECD’s Economic Development Program provides access to numerous financing programs designed to enhance and encourage economic revitalization.

The Direct Loan Programs available through OECD are competitive programs with limited funds available. Prospective projects must meet the eligibility guidelines set forth by the Department of Housing and Urban Development’s National Objectives (guidelines are defined in Section 3 of this bulletin). In addition, each project applying for funding must also demonstrate economic viability and meet basic community standards and needs.

In response to the Coronavirus Pandemic (COVID-19) the U.S. Department of Housing and Urban Development Community Development Block Grant program notified the City of Middletown that they will receive a formula allocation from the first round of CDBG-CV funding to be used specifically for the prevention of, preparation for, and response to the Coronavirus. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed on March 27, 2020.

The City is launching the 2020 Small Business Loan Relief Program in an effort to retain jobs and stabilize local businesses with the additional CDBG-CV allocation, in response to the economic hardships experienced by small businesses resulting from the COVID-19 pandemic. The primary Community Development objectives will be achieved through financial assistance to stabilize existing businesses and retain low- and moderate-income persons with a 0% interest, two-year loan, with a 6-month initial deferment.

2. The Coronavirus Response & Relief Small Business Loan Program

A. The Coronavirus Response & Relief Small Business Loan (SBL-CV) Program is designed to assist small business owners, in conjunction with other financing, to obtain working capital for the businesses that have lost revenue because of the COVID-19 outbreak. This includes revenue loss due to social distancing and additional NYS Executive Orders related to the business closure mandates. It is also intended to support businesses that want to open new lines of manufacturing or services in response to the crisis, such as medical supplies needed to respond to the disease or providing cleaning or in-home health services.

The purpose of this program is to provide “gap” financing to eligible and viable projects. This program will finance only the portion of the total project cost not covered by other available financing for the COVID-19/Coronavirus Pandemic.

B. The OECD will make available 0% interest loans, not to exceed \$5000.00 for a two-year period with a six-month deferment until funds are expended.

3. PROGRAM CONSIDERATIONS

Each loan application must provide evidence that the project has met or intends to meet, at least one of the objectives noted below:

A. Objectives

1. Create/retain jobs for low/moderate income persons
2. Located in a low/moderate income area and provide a service and/or product that is needed in the community and will have a positive impact on the community.
3. Provide a service and/or product that is beneficial to principally low/moderate income clientele or in response to, preparation for or the prevention of Covid-19 (Coronavirus).

B. Limitations and other Considerations – The factors listed below, subject to revision from time to time, will be considered by the OECD in determining whether to process and approve a loan application:

1. The business must be located in the City of Middletown.
2. Business must be in a non-residential location
3. All business owners must have a credit score of at least 620.
4. No personal bankruptcies by owners in the last 60 months.
5. All parties who have a stake in the business will be part of the application process and personally guarantee the loan.
6. Businesses must be able to demonstrate positive net income according to the most recent federal tax return, illustrating ability to repay the loan.
7. If the borrower's business moves outside of the City or closes, the loan will be called requiring payment in full.
8. Only complete, legible applications will be accepted.

4. Applying for assistance

- A. This brochure should be read in conjunction with the instructions on the application, which may be obtained by an email to CommDev@Middletown-NY.com or call 845-346-4170.
- B. Only emailed CommDev@Middletown-ny.com or mailed (City of Middletown OECD; 16 James Street; 3rd Floor; Middletown, NY 10940) applications and documentation will be accepted at this time.
- C. A full copy of the policies and procedures regarding this loan may be obtained upon request.
- D. Questions or assistance with the application may be obtained by calling 845-346-4170 or emailing CommDev@Middletown-NY.com.