

Cortland County BDC

COVID-19 Business Assistance Loans

Cortland County small businesses facing severe challenges brought on by the COVID-19 pandemic may now apply for special assistance through the Cortland County Business Development Corporation's revolving loan program.

This is now available with the BDC's modification of its traditional loan program to quickly direct needed, low-cost resources to qualified business impacted by the crisis.

These funds are not intended to replace resources now available through traditional lending institutions and the federal government, but instead offer quick access to cash for Cortland County's micro-and small businesses in immediate need. The funds are intended to provide working capital and to help cover other costs incurred as a result of the wide-spread shutdowns mandated by the state government in response to the coronavirus outbreak.

Loan Size

COVID-19 Business Assistance Loans are available from \$10,000 to \$25,000.

Equity Requirement

The equity requirement is waived.

Interest Rate

The interest rate is fixed at 2 percent

Terms

Inventory/working capital – up to 3 years

Principal and interest payments deferred for 1 year

Fees

\$225 application fee is waived.

Legal costs are waived

Collateral

The BDC will require:

- The personal guarantee of all owners/members of applicant entity; and
- A credit report of the applicant.
- The BDC may also secure the loan by requiring the applicant to obtain a life insurance policy equal to the amount borrowed.

Payment Schedule

After deferral period (1 year from closing) loan payments are due on the first day of the month. Late fee assessed after ten days.

Application review

Applications will be reviewed by staff on a rolling basis. All loans subject to the approval of the BDC board of Directors.

Supporting Documentation Required:

- Financial documentation
- Most recent tax return (draft or preliminary year-end financials if return is not available)
- List of current debt

Expedited Closing

Working with counsel the BDC will do its best to expedite all loan closings to get resources into the hands of borrowers as soon as possible.

Eligible Borrowers

Eligible borrowers shall include those engaged in business for profit and conducting, or proposing to conduct, business in Cortland County. Eligible applicants shall include sole proprietorships, partnerships, corporations and limited liability companies.

Ineligible Applicants Members, directors, officers and employees of Cortland County, the Cortland County Industrial Development Agency, the BDC and any related local development corporation, including the immediate family members of any of the above and any business entity which has as an owner any of the above individuals or their immediate family members.

Loan Scoring

Demand for these limited resources is expected to be high, and the BDC's loan application review will be weighted most favorably toward small and micro-businesses most in need of immediate operating capital. The BDC also reserves the right to reduce a loan award from the applicant's request.

Loan Proceeds

Loan proceeds may be used for inventory and working capital.

Ineligible activities

Speculative activities (land banking and speculative buildings); feasibility studies; purchase or finance equity in private business; debt consolidation or refinancing; lending activities; gambling activities; charitable, religious or other not-for-profit activity; any illegal activity; and any activity which results in the relocation of a business out of Cortland County.

Contact: 607-756-5005; Email: info@cortlandbusiness.com