

Economic Development Administration COVID Relief Revolving Loan Fund



NetWork Kansas's Economic Development Administration (EDA) COVID Relief Revolving Loan Fund (RLF) provides critical gap financing to small businesses adversely affected by the coronavirus pandemic located in eligible counties in northeast Kansas. This fund is a locally-administered program of the U.S. Department of Commerce Economic Development Administration.

Eligibility

- *Location:* Based in the counties of Clay, Douglas, Franklin, Jackson, Jefferson, Leavenworth, Lyon, Marshall, Miami, Morris, Nemaha, Osage, Pottawatomie, Shawnee, or Wabaunsee
- *Business Stage:* Startups and Expansions
- *Business Type:* For-profits from all sectors, including retail, service, industrial, etc.
- *Use of Funds:* Flexible use of funds, including real estate, equipment, working capital, etc.
- *COVID-19:* The small business can demonstrate these funds are needed as a result of COVID-19
- *Match Funding:* Funds should be used as "gap funding" in partnership with a bank loan or public funding source. Exceptions may be made if applicant has two bank and/or public funding source denial letters, then EDA RLF may be available as sole funding source.
- *Down payment:* Cash injection (down-payment) may be required; this is not an "equity" loan

Loan Terms and Fees

- Up to \$150,000
- Minimum rate is 4%. The range of allowable interest rates may vary.
- Application fee of 2% of the loan request, plus any hard or direct cost for additional services such as mortgage fees/title insurance, and/or credit report.
- Closing fee of \$300.00.

Repayment

- 10-year maximum is generally applied for working capital loans. Loan term may vary or be more flexible depending on the use of funds and assets being financed (ex: longer for real estate).

Collateral

- Personal guarantees of the owner(s) of the business are required.
- Loans are secured by the best collateral position available and can be subordinated.

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Applicants that fit the eligibility criteria listed and are seeking gap financing should follow the Process Steps provided in order to access the COVID Relief EDA Loan Funds:

PROCESS

1. Business or the Applying Partner should complete an [Eligibility Intake Form](#).
2. NetWork Kansas will perform an initial internal review of the Intake Form to confirm program eligibility.
3. If eligible, NetWork Kansas will connect the project to our EDA RLF Servicing Partner, Great Plains Development Inc (GPDI). The full EDA COVID Relief RLF Application will also be provided at this time.
4. Applicant will work with Servicing Partner to complete the Application and work through the typical loan due diligence procedure. The following is an example of additional items that will be required of the Applicant by the Servicing Partner:
 - ✓ Business Plan and/or History and Description of the Business
 - ✓ At least one-year projection of monthly profit and loss
 - ✓ Projections of growth for years two and three
 - ✓ Financial Statements (business and personal)
 - ✓ Management Resume(s)
 - ✓ Personal Income and Expenses
 - ✓ Tax Returns
5. When ready for a funding request, GPDI will submit the Application to NetWork Kansas for an internal review.
6. If the Application is considered complete per NetWork Kansas' review it will be sent on to the COVID Relief EDA Loan Fund Review Committee.
7. Applying Partner will be notified if the Review Committee has approved or denied the project.
8. If approved, the Applicant will work with the GPDI to close the loan.
9. Funding will be provided by NetWork Kansas through GPDI. GPDI will service and report on behalf of NetWork Kansas and provide monthly billing statements to the borrower.