

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

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*Hon. Steven T. Noble, President*

*Amanda L. Bruck, Executive Director*

### **Economic Injury Microloan Program**

The Board of Directors of the Kingston Local Development Corporation's (KLDC) wants to assist City of Kingston businesses affected by the current economic injury by offering low interest loans up to \$7,500.00.

The KLDC understands the vast majority of businesses have been negatively impacted by the outbreak of the COVID-19 pandemic, forcing small business owners to take some sort of action adjusting to their changing economic condition. Due to the restrictions set forth, many businesses have had to either partially or completely shut down. The KLDC, concerned for the potential impact on the small businesses in our community have designed their micro loan program to focus on assistance for small businesses.

As with the loans offered by the SBA, this microloan will be offered on a first come first served basis as funds are limited.

Our staff, finance committee and full Board of Directors will review each application simultaneously to expedite loan approvals. All decisions are at the sole discretion of the Board of Directors.

### **OVERVIEW**

- Business must be located within the City of Kingston AND applicant must reside in Ulster County
- Applicant must be the owner of the business for which loan is being applied for
- Applicant must be able to show economic distress from pandemic
- Applicant must be a minimum of 21 years of age
- Use of proceeds of loan must be disclosed (i.e. retain employment at that business, pay expenses related to that business etc.)
- All business owners must have a credit score of at least 650 and no derogatory information for the last six (6) months. (applicant MUST submit credit score with application)
- No more than \$1,000 in unresolved judgements, liens, collections or charge offs
- No negative or derogatory information on your credit report (applicant MUST submit it credit report with application)
- No personal bankruptcy in the past 60 months except for medical reasons
- Anyone who has 20% or more of a stake in the business needs to be part of the application process and personally guarantee the loan.
- Startups and businesses less than a year are welcome to apply
- Businesses applying for the loan can demonstrate positive net income according to the most recent Federal Tax Return, showing ability to repay.

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### REPAYMENT TERMS, INTEREST RATES, and FEES

#### Loan repayment terms:

- No payment will be due for the first six months and the accrued principal and interest will be amortized over the remaining life of the loan.

#### Interest rate:

- The interest rate for the Economic Injury Microloan Program is set at 1.00% for a term not to exceed 72 months (6 years).

In a further effort to help small business owners, the Board of Directors is waiving all application/processing fees as well as costs associated with the closing and attorney fees for the preparation of the closing documents. While we may forgo the traditional collateral requirements based on individual request from applicant, each applicant must complete all required forms and provide a personal guarantee.

### THE PROCESS & WHEN YOU CAN EXPECT TO HEAR FROM US

- After we review your credit score and your credit report, we will move your application forward in the process, we will reach out. If your credit score does not qualify or if there is negative information, we may ask you to identify a guarantor.
- If you qualify, we will reach out to you as soon as we can with a request for the documentation. Please **DO NOT** send us any documentation until we have requested it from you. After you receive an email request from us, send us ALL documents together at one time to [abruck@kingston-ny.gov](mailto:abruck@kingston-ny.gov) Please do not email documents directly to any of the Board of Directors. We will NOT review or process your application until we have received all documentation. See more information about the documentation below.
- Upon reviewing all documentation, our staff will be in contact with you to let you know if you are approved or not. You will receive confirmation either way.

### TO CLOSE

Please follow these instructions so that we can process your loan application as quickly as possible

Prepare the following documents in the list below. Kindly note the digital format of each document we can accept.

Send them to us in ONE email, one attachment for each document. We cannot accept multiple attachments of your tax returns, for example. They must be received in one PDF.

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- Label the subject line of your emails to us with your business name and document included. Label the attachment the same. For example, if you are sending your tax returns, send us an email like this:
  - Subject line: Jiffy Stationary Business Tax Returns
  - Attached PDF: Jiffy Stationary Business Tax Return

We will only reach out to you after you've submitted all documentation. We cannot track down documentation from you, so please send them all at once.

- List of Documentation: (One document per attachment)
  - Full set of most recent Personal and Business Tax Returns (*PDF*)
  - Business Organizational documents (*PDF*)
  - EIN Verification Letter (*PDF or Image*)
  - A Copy of your business Voided Check (*PDF or Image*)
  - A copy of your Bank Signature Card (*PDF or Image*)
  - A Copy of your Driver's License (*PDF or Image*)

Thank you for your patience as we work hard to support the small businesses within the City of Kingston during this challenging time.

*Kingston Local Development Corporation*

*Loan Application for Financial Assistance*

**SECTION I - APPLICATION / PERSONAL INFORMATION**

Name: \_\_\_\_\_

Address: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Primary Telephone No: \_\_\_\_\_ Fax No. : \_\_\_\_\_

Email Address: \_\_\_\_\_

**SECTION II - INFORMATION ABOUT YOUR BUSINESS AND BUSINESS LOCATION**

Name of Business: \_\_\_\_\_

Address of Business: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Business Telephone No.: \_\_\_\_\_ Business Fax No.: \_\_\_\_\_

Description of Nature of Business:  
\_\_\_\_\_

Structure of Business (DBA, Corporation, LLC, etc.) \_\_\_\_\_

Date Established: \_\_\_\_\_ Date of Incorporation: \_\_\_\_\_

Federal ID Number: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Bank where your Business has an account:

Name of Bank: \_\_\_\_\_

Address of Bank: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Number of Employees:

Presently employed \_\_\_\_\_ Full Time \_\_\_\_\_ Part Time \_\_\_\_\_ FTE

Current jobs retained after E.I.L. \_\_\_\_\_ Full Time \_\_\_\_\_ Part Time \_\_\_\_\_ FTE

Jobs created after E.I.L. \_\_\_\_\_ Full Time \_\_\_\_\_ Part Time \_\_\_\_\_ FTE

Which best describes employment status?

\_\_\_\_\_ I draw a salary from the business applying for this loan

\_\_\_\_\_ I have employees who draw a salary from the business applying for this loan

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Briefly describe for which this proceeds of this loan is intended:

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**SECTION III - INFORMATION ABOUT MANAGEMENT**

List the names of all owners (having 20% or greater interest), officers, directors and/or partners. Provide the percentage of ownership and the annual compensation. If more space is required, attach a separate sheet.

Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_ % Annual Compensation: \$ \_\_\_\_\_

Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_ % Annual Compensation: \$ \_\_\_\_\_

Name and Title: \_\_\_\_\_

Address: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_ % Annual Compensation: \$ \_\_\_\_\_

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**SECTION IV - CREDIT REQUEST**

How much do you want to borrow? (maximum amount \$7,500) \$ \_\_\_\_\_

What will the proceeds of loan be used for? (check all that apply)

- Materials
- Inventory
- Equipment
- Working Capital
- Supplies
- Salary
- Other (please explain) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How has your business been impacted by COVID-19? (check all that apply)

- Non-essential business so my business had to close
- Significant loss of revenues
- Significant loss of customers
- Supply chain issues
- Other: (please explain) \_\_\_\_\_  
\_\_\_\_\_

What is your plan to sustain your business until it is operating normally again?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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What other sources of disaster relief have you applied for? You may be requested to provide documentation showing you applied. \*

\_\_\_\_\_ SBA Economic Disaster Recovery Loan

\_\_\_\_\_ Paycheck Protection Program

\_\_\_\_\_ SBA Economic Injury Advance Loan

\_\_\_\_\_ Other: (please explain) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SUMMARY OF COLLATERAL**

All loans made through the Revolving Loan Fund are secured. Please list items to be secured. Prior to closing, you will be required to provide an appraisal and deed for real property; or a list of make, model, serial number and appraised value for machinery, equipment, furniture or fixtures.

	Present Market Value	Present Mortgage Value	Date Purchased	Cost Less Depreciation
A) Land and Building	\$	\$	/ /	\$
B) Machinery and Equipment	\$	\$	/ /	\$
C) Furniture and Fixtures	\$	\$	/ /	\$
D) Personal Residence	\$	\$	/ /	\$
E) Other	\$	\$	/ /	\$
<b>Total Collateral Offered</b>	\$	\$		\$

Term of Loan Requested: \_\_\_\_\_ years / months

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Have you ever gone through Bankruptcy or comprised a debt? \_\_\_\_\_ NO \_\_\_\_\_ YES  
If YES, Please attach an explanatory statement.

If this is a statement of you and your spouse, are any assets a spouse's separate property? \_\_\_\_\_ NO \_\_\_\_\_ YES  
If YES, Please attach an explanatory statement.

Are any assets pledged or debts secured except as shown above? \_\_\_\_\_ NO \_\_\_\_\_ YES  
If YES, Please attach an explanatory statement.

The information contained in this statement is provided for the purpose of obtaining a loan from funding programs on my / our behalf or on the behalf of firms or corporations in whose behalf I / we may, either severally or jointly with others, execute a guaranty in favor of the funding program. I / we understand that this information, including the designation made as to ownership of the property will be used in deciding to grant or continue credit. I / we certify that the information provided is true and complete to the best of my / our knowledge. I / we authorize the loan fund administrator to check my / our credit history and employment listing or to make all other inquiries you deem necessary to verify the accuracy of the statements made on this form in determination of my/our credit-worthiness and answer questions about or report my/our credit experience.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Signature *(Joint Applicant)*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Social Security Number