



FRESH START 2020
Village of Perry Small Business Support Loan Program
Adopted – April 27, 2020

I. General Program Overview

- A. The purpose of this program is to assist small businesses in the Village of Perry (“Village”) to endure the economic impact of the COVID-19 virus. This program will be called the FRESH START 2020.
- B. For this program, it is the intent of the Village to provide zero-interest loans to assist local small businesses in weathering the economic impacts of the COVID-19 virus and also provides funds for reopening the business once COVID-19 related sanctions are lifted. The funding source will be a dedicated loan fund that was provided through a 1980s Federal grant program that has since been repaid. Local tax funds will not be used as a funding source for this program.
- C. FRESH START 2020 Loans will be authorized and approved by the Village Board of Trustees based upon a recommendation of the FRESH START 2020 Review Committee.
- D. Due to limited funding of this program, priority will be given to Applicants that have not received funds through the Payroll Protection Program (PPP) or Economic Disaster Loan Program (EIDL) which were/are offered through the Federal Government.
- E. The Village will make available \$25,000 for the FRESH START 2020 Program.

II. Program Classifications

A. FRESH START 2020 Loan Program

1. The purpose of this loan program is three-fold:
 - a. Provide payroll support, rent assistance, payment of utilities, employee health care and accounts payable assistance to small businesses in the Village of Perry during the time sanctions remain in place.
 - b. Provide funding to modify the current business operation to adapt to restrictions as a result of sanctions.
 - c. Provide a source of funds to reopen the business within 30 days once sanctions have been lifted.
2. Small business owners with businesses within the Village of Perry may apply for loans under this program.
3. The minimum value for loans under this program will be \$500 and will not exceed \$4,800 per business.
4. Approval for these loans will be determined through a review of the following items provided by the applicant:
 - a. Applicant’s personal credit report provided by the applicant along with a current financial statement (either cash flow or income statement).
 - b. Written description of the amount of payroll assistance that will be provided to employees of the business. If assistance is required for rent, utilities, accounts

payable or employee health care, a schedule of the amount requested, and the payee will be required. Further if the proceeds of the loan are to be used to modify the current business operation to adapt to restrictions of the sanctions, a brief description of those modifications and estimate of their cost should be provided.

5. Loans will be issued as interest-free financing and will be based on an unsecured, personal guarantee of payment. Loan terms will extend no longer than 48 months. For loans up to \$2,400 the minimum monthly payment will be \$50 and for loans greater than \$2,400, the minimum monthly payment will be \$100.
6. The first payment will be deferred for six months from the date of funding. This may be extended by the Village Board of Trustees.

III. FRESH START 2020 Review Committee

- A. The Review Committee is responsible for reviewing all applications for FRESH START 2020 program and determining eligibility of applications within thirty (30) days of the Village receiving such requests.
- B. The Review Committee will be appointed by the Mayor and be approved by the Village Board of Trustees. Members will consist of:
 1. One member of the Village Board of Trustees; and,
 2. Two members appointed from the Village residents at large.
- C. A Loan Program Consultant (“Consultant”), as approved by the Village Board of Trustees, will be contracted to advise the Review Committee and facilitate the operational needs of the FRESH START 2020 Program. The Consultant’s responsibilities will include:
 1. To act as an ex-officio member of the Review Committee.
 2. Receive, review, and confirm that applications are complete and worthy of consideration.
 3. Evaluate applications and prepare a written summary for the Review Committee.
 4. Communicate with applicants during application process and the final determination of the Review Committee and Village Board of Trustees; and,
 5. Other duties to assist in the success of the FRESH START 2020 program.

IV. FRESH START 2020 Application Procedure

- A. Owners of small businesses within the Village of Perry are eligible to apply for FRESH START 2020 Program loans.
- B. A small business owner may apply for multiple FRESH START 2020 programs loans (no more than one per legal entity) if the combined request of the loans does not exceed a total of \$25,000.
- C. Application Process Steps
 1. FRESH START 2020 Program Applications will be available either at the Village Clerks Office or by download from the Village of Perry Website.
 2. Completed applications will be submitted to the Village Clerks Office with any required documentation including a personal credit report. No application fee will be required.

3. The Village Clerk will forward applications to the Review Committee's Consultant. The Consultant will then:
 - a. Work with applicants on any additional required information.
 - b. Prepare written summary of application ("Consultant's Summary"); and,
 - c. Schedule a meeting with the Review Committee either in person or via video conference platform.
4. The Review Committee will meet and review the Consultant's Summary for each loan application. Based upon their deliberations, the Review Committee may take the following actions:
 - a. Recommend to Deny the Request – Consultant will prepare an "Adverse Action Notice" and advise the applicant of the reason(s) for the denial. This notice will be sent out within 72 hours of the decision.
 - b. Recommend to Approve the Request – Consultant will prepare a summary recommendation along with the proposed financing option to be reviewed at the next scheduled meeting of the Village Board of Trustees. In extenuating circumstances, the Village Administrator may schedule a special meeting of the Village Board of Trustees that may be by video conference.

V. FRESH START 2020 Loan Processing

- A. Upon approval of applications by the Village Board of Trustees, the Village Attorney will prepare the following documents:
 1. Loan Agreement
 2. Any required "Truth in Lending" disclosures
 3. Personal guarantee of the applicant
 4. Compile loan closing documentation records and provide copies to the Village Clerk.
- B. The Village Clerk will be required to perform the following:
 1. Disburse funds to the applicant in the amount directed by the loan agreement.
 2. Maintain a payment schedule for all loans.
 3. Accept monthly payments from the borrower and, as necessary, account for the payments in accordance with the payment schedule.
 4. Monitor and issue delinquent notices under the following guidelines:
 - a. Loans overdue by 15 days will be charged a 2% late fee for the total overdue amount.
 - b. The Village will apply each payment in the following order:
 - i. Late fees
 - ii. Loan Principal
 - c. The Village may declare the full amount of the Note due immediately for any defaults:
 - i. Failure to pay, when due, any amount payable on any obligation under the Note.
 - ii. Failure to do anything the Borrower is obligated to do under the Note or specifically not comply with plans funded by FRESH START 2020 Loans.

- d. If the Note is not paid when due, the Village is not required to notify the borrower before enforcing rights to collect all amounts due. The Village does not have to present the note, demand payment or protest.
 - e. Delay or failure by the Village to take any action will not prevent the Village from doing so later.
 - f. In the event of commencement of legal action to enforce payment of the Note, the Borrower agrees to pay such additional sum as attorney's fees as the court may adjudge reasonable.
 - g. The Village will commence actions when the Loan is 45 days past due.
5. Send notification letters when loan obligations are paid in full. As necessary, notify Village Attorney to release any liens.