

PURCHASE AREA DEVELOPMENT DISTRICT
COVID-19 BUSINESS RELIEF WORKING CAPITAL
LOAN PROGRAM

The PADD Revolving Loan Fund (RLF) COVID-19 Business Relief Working Capital Loan Program was established to assist businesses in the industrial, commercial, agricultural, and service sector that have been economically impacted by the COVID-19 Pandemic. It is designed to have an impact on restoring the economic growth of the region.

PROGRAM GUIDELINES

1. Projects must be located in Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall, and McCracken Counties.
2. Project must be in the industrial, commercial, agricultural, and service sectors.
3. Loans will be used for meeting short term (3 months) working capital needs such as payroll, fixed asset debt, rent, utilities, supplies, inventory management, and/or payments to suppliers.
4. Loans will range from \$5,000 to \$25,000.
5. Maximum Terms: Up to 36 months with six (6) month deferral from date of loan closure.
6. The floor interest rate charged on all loans will be the lesser of either 75 percent of the prime rate as published in the Money Rates section of the Wall Street Journal, or four percent.
7. A blanket lien (UCC) will be filed on "all available business assets".

LOAN PROCESS

1. Potential applicants should contact the PADD office to discuss project eligibility.
2. Following eligibility determination, an application must be submitted to PADD for staff review and preliminary approval.
3. All applications must receive approval from the following before final approval is given:
 - a. Purchase Area Development District COVID-19 Business Relief Working Capital Loan Review Committee.
4. A \$10 filing fee to the Kentucky Secretary of State is required at closing. No other fees closing or origination fees.
5. An applicant is not eligible to receive this assistance if the business has received a loan through the SBA's PPP or EIDL small business loan programs.