

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 (6 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 60 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. Current rate is 2.4%
7. A blanket lien (UCC) will be filed on "all available business assets".
8. Businesses are required to provide the following documentation:
 - a. PADD COVID Working Capital Loan Application
 - b. 2019 business tax returns or year end statement
 - c. 2019 personal tax returns
 - d. Completed business expense schedule
 - e. Completed personal financial statement
 - f. PADD COVID Impact Survey or other statement outlining the affect of COVID on the business.

LOAN PROCESS

1. Potential applicants should contact the PADD office to discuss project eligibility or by emailing questions to:
 - a. mike.maxwell@purchaseadd.org
 - b. stacey.smith@purchaseadd.org
2. An application packet may also be found at www.purchaseadd.org under the "business" heading or may borrowers may submit their application by email.
3. All applications must receive approval from the following before final approval is given:
 - a. Purchase Area Development District 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. Loan funds cannot be used for expenses in which federal assistance has already been obtained (ex. PPP or EIDL) .
6. This is not a grant request, this is a loan and no portion of the loan is forgivable.