



SMALL BUSINESS RETENTION LOAN PROGRAM

Applications: Loan applications will be accepted from June 19, 2023 until loan funds are exhausted. Please email the application with any required documents to jared@eastonpartnership.org. ***It is anticipated that this program will be oversubscribed and that we will not have sufficient resources to fund all requests. While it is possible that there will be subsequent application rounds, there is no guarantee that additional funding will become available.***

Loan Amount: Not to exceed \$10,000. Due to lack of available funds, loans may not be approved at 100% of the requested amount.

Interest Rate: Zero Percent (0%). In the instance of default on the loan, GEDP reserves the right to introduce a default rate of interest up to the published Wall Street Journal Prime Rate at the time of notice of default (currently 8.25%).

Term: Loan payments will be deferred for the first six (6) months, following which the principal will amortize over twelve (12) months. Extensions to this amortization may be provided on a case-by-case basis.

Eligible Businesses: Any for-profit business with a principal location in the City of Easton, PA that has been in operation for at least six (6) months. The business must certify that the resources are necessary for the continuing operations of the business located in the City. Eligible applicants must be code compliant and current on all City taxes and utility payments, unless deferments or other accommodations have been provided. Priority will be given to those businesses demonstrating hardship experienced as a result of the pandemic or post pandemic economy. Hardships may include, but are not limited to, issues experienced as a result of supply chain disruptions, staffing scarcity and resulting from prolonged construction activity in the downtown. Businesses must retain at least one (1) employee that is not an owner of the business or related to the ownership of the business. Waivers of employee retention may be considered on a case-by-case basis for sole proprietorships.

Use of Loan Proceeds: The subject loan must be used for working capital for the business located in the City. Proceeds are to be used to cover those expenses that the business must incur to maintain continuing operations including, but not limited to, overhead and staff-related expenses (must not be ownership or family relationships to ownership). Loans may be used to purchase additional inventory and equipment. The equipment must be necessary for local business operations. Loan proceeds may be used to pay down existing business loans (must be able to demonstrate that the proceeds were used to fund Easton operations), but cannot be used to pay off personal obligations of the owners.

Collateral / Security: No collateral or personal guarantee(s) will be required for the loan, ***but owners of 20% or more of the business will be required to be co-borrowers. In addition, direct business affiliates may be required to serve as co-borrowers.***

Application Review: Applications will be reviewed by the Greater Easton Development Partnership Finance Committee. Applicants will be notified of the Committee's decision on their loan via email within thirty (30) days of submitting a complete application. Priority will be given to those businesses which have not received other forms of COVID-19 Relief

Funding through Greater Easton Development Partnership or the Redevelopment Authority of Easton. GEDP may request additional or updated information prior to approving the loan.

Loan Funding /Closing: Upon approval applicants, will receive notification via email along with a draft loan agreement and note. These documents are non-negotiable and will need to be executed prior to arranging for funding of the loan. Upon receipt of the executed documents from the applicant, a check will be drafted for the approved loan amount and sent to the business address identified in the application within ten (10) business days.

Disclaimer: *While it is understood that applications will be reviewed on their merits and the quality of the information provided, the Greater Easton Development Partnership reserves the right to reject any application, in its sole discretion.*

Contact: Any questions related to this program or the status of your application should be directed to jared@eastonpartnership.org.