



# CITY OF WILLIAMSPORT

## COVID-19 BUSINESS ASSISTANCE LOAN PROGRAM

The City of Williamsport has opened a COVID-19 BUSINESS ASSISTANCE LOAN PROGRAM to assist Williamsport's small businesses to fill critical gaps created by the COVID-19 pandemic. The City is proud to be able to support our local economy during this uncertain time. This program will provide loans to qualifying for-profit small business affected by COVID-19.

The terms of loan include the following:

- Loans will be offered at a minimum loan amount of \$5,000 and a maximum loan amount of \$50,000.
- Requires that one (1) full-time job be created or retained for every \$10,000 of assistance or one (1) part-time job be created or retained for every \$5,000 of assistance.
- Loan term will be offered for a ten (10) year term with loan payments deferred for the first two (2) years with no penalty for prepayment of loan.
- Interest will accrue on the loan at a 0% interest rate for the first five (5) years, then at 0.5% starting in year six (6) and increasing 0.25% each year through year ten (10).
- Applicant will receive 50% of the loan proceeds at the time of loan closing. The balance of the loan proceeds will be disbursed following the receipt of supporting documentation of previous expenditures.
- An application fee of \$500 that may be deducted from the loan proceeds.

### ELIGIBLE BUSINESS INCLUDE:

- Less than 100 employees
- Operating within the City of Williamsport
- Shows need for assistance

### USE AND PROCESS TO APPLY:

Eligible uses of loan funds are permitted to:

- (1) support existing business reopening or existing business expansion related to COVID-19.
- (2) assist working capital needs for the purchase of inventory, payroll, utilities, supplies and other expenses for operations as they existed pre-COVID-19. (If funds are requested for payroll, the hourly rate per employee must not exceed \$26.44 per hour)
- (3) reimburse costs including fixed debts, payroll, accounts payable and other documented costs occurring after March 1, 2020 if the business was required to cease operations.
- (4) stabilize and expand enterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

Ineligible uses of loan funds are:

- (1) to acquire an equity position or interest in a private business.
- (2) to subsidize interest payments on an existing loan.
- (3) to invest in interest bearing accounts, CD's or other investments.
- (4) to engage in land banking and construction of spec buildings.
- (5) to assist in relocation of jobs from the City of Williamsport.
- (6) to fund a project that create a potential conflict of interest for any officers, employees, or any persons involved in the application process, review, awarding or administering of the loan.
- (7) to provide equity contribution required of applications participating in federal programs.

Process to apply:

(1) complete and submit an application. Applications can be received from the Office of Economic and Community Development or

<https://www.cityofwilliamsport.org/departments/community-economic-development>

(2) provide a project narrative for the intended use of loan funds.

(3) provide balance sheets and income/expense statements for the prior 3-years. (business tax returns will satisfy this requirement)

(4) verification of ownership, insurance and business tax licenses.

Applications will be reviewed considering the following general criteria. Those applications with the highest scores will be prioritized for the first round of funding.

(1) Economic Impact

- a. Job creation/retention
- b. Financial impact of COVID-19 on business
- c. Need

(2) Financial Position:

- a. Number of employees at business
- b. Additional resources already secured (including but not limited to PPP and EIDL)
- c. Available collateral

(3) Use of Funds

- a. How loan funds will be spent

(4) Additional items

- a. Forced closure
- b. Age of business
- c. Support of employees during crisis
- d. Support of community during crisis
- e. Community impact of business
- f. Access of owner to other funding sources

**PROJECT PROGRAM TIMELINE:**

July 1, 2020 to August 7, 2020	Open Application Period
August 10, 2020 to August 21, 2020	Application Review Period
August 24, 2020 to August 28, 2020	Loan Approval Period
Beginning August 31, 2020	Loans Disbursements Begin

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