

City of Richardson/Collin County Emergency Business Assistance Program Overview

The City of Richardson believes in the power of small business. The goal of the EBAP is to quickly provide eligible small businesses up to \$50,000 in emergency financial assistance in the form of a forgivable loan.

Businesses must meet eligibility requirements, including being located in Collin County and within the City limits of Richardson and demonstrate a decrease in revenue of at least 25% due to COVID-19.

1. Pre-applications will be accepted between August 1 and August 16, 2020.
2. After answering the first 10 questions in the pre-application, you will be notified whether you appear to be eligible for an EBAP loan.
3. If you appear to be eligible for an EBAP loan, you will be required to answer additional questions. If you do not answer all of the questions, your pre-application will not be considered.
4. Late pre-applications will not be accepted.
5. All pre-applications may be completed online at:
<https://www.surveymonkey.com/r/RichardsonEBAP>
6. The pre-application is available in English and Spanish.
7. You may use your smartphone, tablet, or desktop to submit a pre-application.
8. Please attempt to fill out the pre-application online first. If you still have questions about the application, leave a voicemail message at 214-845-7673 or email NTXsmallbiz@ndconline.org. Your message will be returned within one business day.
9. The third-party administrator for the EBAP is the National Development Council (NDC), a national economic development non-profit. You can learn more about NDC and the EBAP here: <https://ndconline.org/ntxsmallbiz/>
10. Not all eligible businesses will be invited to submit a full loan application. After the pre-application period closes, NDC will use a randomized selection process to select the eligible businesses that will be invited to submit a full application.

Q1. Who is eligible?

Businesses must be physically located and operating in Collin County and within the City limits of Richardson. Businesses located within Dallas County are not eligible because Dallas County operates its own emergency small business loan program.

Businesses must have no more than 100 employees as of March 1, 2020 and have an annual gross income of less than \$10 million in 2019.

Businesses must have been in existence on or before February 1, 2019.

Businesses must have experienced a loss of at least 25% in income since March 1, 2020 due to COVID-19.

Determining eligibility is the first step in the process. Borrowers must comply with all program requirements, including submitting required documentation and signing a promissory note and personal guaranty, in order to receive funding.

Q2. Who is not eligible?

City of Richardson elected or appointed officials.

Employees of the City of Richardson.

Persons/entities who are a party to a lawsuit against the City of Richardson.

Persons/entities who have been a party to a contract with the City of Richardson that has been terminated because of insufficient performance within the past 13 months.

Businesses cannot be a franchise, non-profit, operate as an age-restricted business or receive its primary income from rental/income-producing properties.

Businesses cannot be delinquent in the payment of federal, Collin County, or local taxes.

Q3. How does the randomized borrower selection process work?

1. All fully-completed pre-applications submitted by eligible applicants between August 1- August 16, 2020 will be included in the randomized borrower selection process.
2. NDC will use the List Randomizer from Random.org to generate a randomly-ordered list of businesses.

Q4. Why can't all eligible businesses submit a full EBAP loan application?

The City of Richardson anticipates that demand for loans will exceed the amount of funding available. A randomized borrower selection process will allow for outcomes that are more equitable than "first come, first serve."

Q5. If I am invited to submit a full loan application, what documents will I be required to submit?

Borrowers who are invited to submit a full loan application will receive a checklist of required documents. Some of those documents include: 2019 business or personal tax return (if business income reported on personal tax return), driver's license or state identification card, IRS Form 941 for Q1 2020 or Texas Employer Quarterly Wage Report Form C3 for Q1 2020, signed monthly profit and loss statements for January-May 2020, documentation related to your expenses, and borrower certifications, among other documents.

Q6. Is everyone eligible to receive a \$50,000 loan? How is the maximum loan calculated?

\$50,000 is the maximum loan amount. The actual loan amount (up to \$50k) will be based upon the total of

3 months of business:

+ payroll,

+ lease payments,

+ utilities,

+ the renting of existing equipment,

+ the payment of existing business-related loans for equipment, vehicles, and/or real estate,

+ \$3000 of restart-up capital.

Q8. What are the eligible uses of funds?

Funds may be used for working capital.

Q9. Can the loan be forgiven?

Yes, if you stay in business for four months and retain 60% of your March 1, 2020 full-time employee count and payroll. One-fourth of the loan is eligible for forgiveness per month.

Q9. How will funding be disbursed and what is the source of the funding?

If NDC determines that the borrower meets all program criteria, the borrower will be asked to sign a promissory note and personal guaranty. Funding will be disbursed within two weeks of the borrower submitting all required documents. The source of funding is federal CARES Act funding; specifically the Coronavirus Relief Fund that allows for small business assistance to reimburse the costs of business interruption caused by required closures related to COVID-19.