

10 Civic Center Plaza
Post Office Box 3368
Mankato, Minnesota 56002-3368

Phone: (507) 387-8600
Fax: (507) 388-7530
www.mankatomn.gov



Re: Sustaining Loan Program Application
Deadline for Application: June 1, 2020

Dear Business Owner,

In response to the COVID-19 pandemic, the City of Mankato and the Mankato Economic Development Authority have created a sustaining loan program to assist small businesses in Mankato. The Mankato EDA retains final authority to determine if a business is eligible or not, and whether to approve a loan or not.

Eligible business owners may apply for a one time loan of up to \$5,000 per applicant with a zero percent interest rate during the deferral period and two percent thereafter. Loans will be for a maximum length of 24 months from the time the deferral period ends. Eligible loan activities include operating capital to assist businesses with sustaining itself such as for lease/mortgage payments, utility bills, property taxes, supply and inventory. If City utility bills are not current at the time of application, the loan funds must be applied to these items first.

Funding will be decided by the City of Mankato and Mankato EDA and it is anticipated that funding decisions will be made in June.

Applications must be submitted or postmarked by June 1, 2020.

If you have any questions or need assistance with the application, please contact Travis Higgs at 507-387-8621. Applications should be submitted to Travis Higgs via email at thiggs@mankatomn.gov, at the drop box located by the Intergovernmental Center, or mailed to 10 Civic Center Plaza, P.O. Box 3368, Mankato, MN 56002-3368, Attn; Travis Higgs.

Sincerely,

Travis Higgs
Program Administrator



City of Mankato Sustaining Loan Program

This loan is for Mankato businesses with 50 or fewer employees who have had a revenue decrease of 50% or more due to the COVID-19 pandemic. The business classification generally must not have been deemed “critical sector” in Executive Order 20-20; however, critical sector businesses that have experienced a loss of revenue of 50% or greater during the pandemic may be eligible.

City of Mankato and Mankato EDA Sustaining Loan Program

Eligible Businesses

- Mankato businesses with 50 or fewer employees who have had a revenue decrease of 50% or more due to the COVID-19 pandemic. The business classification generally must not have been deemed “critical sector” in Executive Order 20-20; however, critical sector businesses that have experienced a loss of revenue of 50% or greater during the pandemic may be eligible.

Eligible Loan Activities

- Operating Capital to assist the business with sustaining itself until longer-term assistance program funding is available to the business or partial or full operation is possible. Eligible costs would include lease/mortgage payments, licenses, utility bills, property taxes, supplies and inventory.
- If City utility bills are not current at the time of application, the loan funds must be applied to these items first.

Loan Conditions

- Maximum loan amount is \$5,000. Applicants may request funding one time under this program.
- The loan will have a deferral period that shall begin from the time of loan disbursement until one year after the business is able to return to pre-pandemic activities.
- Interest rate will be zero percent during the deferral period and then two percent thereafter.
- Loans will be for a maximum length of 24 months from the time deferral period ends. Borrowers may prepay without penalty.
- Any loan processing fees incurred during the process of the loan will be paid by the City
- Upon default of loan, or the permanent closure or sale of the business, the loan immediately becomes due and payable in full.
- Property taxes and City utility bills must have been current as of January 1, 2020
- Loans are not transferable unless the transfer is approved by the Mankato EDA.
- Loan payment method will be automatic withdrawal ("ACH").
- Collateral
- Personal guarantees will be required.



**CITY OF MANKATO AND MANKATO EDA
SUSTAINING LOAN APPLICATION
FOR QUESTIONS PLEASE CONTACT TRAVIS HIGGS
THIGGS@MANKATOMN.GOV, 507.387.8621**

I. APPLICANT INFORMATION

Name of Applicant: _____

Home Address: _____
Street City/State/Zip

Telephone No: Home (____) _____ Work/Cell (____) _____

Email: _____

II. BUSINESS INFORMATION

Name of business: _____

Address of business: _____

Ownership: _____

Owner's Address: _____

Existing business service: _____

Number of employees as of March 1, 2020: _____

III. FINANCIAL INFORMATION

In order to qualify, as stated above, your business must have experienced a revenue decrease of at least 50%. **Please include a financial statement (for example a monthly profit and loss statement) from shortly before the COVID-19 pandemic or for a comparable period in a prior year and another financial statement during the COVID-19 pandemic to show the revenue decrease.**

Please describe other COVID-19 related financial resources you've applied for below. Please include the program name, anticipated use of funds, the amount requested, and the status of your application (awarded, pending, denied), If you need more space to write, please utilize the next page.

Please describe proposed uses for the City of Mankato Sustaining Loan below. Include the proposed use of loan funds (lease/mortgage payments, licenses, utility bills, etc., and the amount of loan funds requested. Please note, funds can only be used for improvements as indicated in the City of Mankato Sustaining Loan Fund Policy including lease/mortgage payments, utility bills, property taxes, supplies and inventory. **Please submit copies of unpaid lease/mortgage statements, licenses statements, utility statements, tax statements, etc.** If you need more space to write, please utilize the next page.

Are all City utility bills and licenses current at this time? If no, the loan funds must be applied to these items first.

Yes No

VI. CERTIFICATION

City of Mankato staff, or an authorized representative, shall have the right to inspect the business and meet with tenant/owner at any time from the date of application upon giving due notice.

I certify that all statements on this application are true and correct to the best of my knowledge. I understand that any intentional misstatements will be grounds for disqualification.

Applicant: _____ Date: _____

Completed applications should be submitted to Travis Higgs via email at thiggs@mankatomn.gov, at the drop box located by the Intergovernmental Center, or mailed to 10 Civic Center Plaza, P.O. Box 3368, Mankato, MN 56002-3368, attn.: Travis Higgs.

Submitted applications must include applicant information, business information, financial information, certification (p. 3/4), supplemental copies of financial statements (p. 3), copies of eligible invoices/statements (p. 4), checklist (p. 6), and the privacy notice (p. 7).

Extra Space for Questions Asked on Page 4

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Disadvantaged Business Questionnaire Checklist

Please submit the questionnaire below regarding if your business is qualified for a disadvantaged business. Please check every applicable box as it pertains to your business. If you have any questions regarding any of the options, please contact the City of Mankato.

- Be a small business under the loan program.
- Be at least 51 percent owned and controlled by U.S. citizens who are economically* and socially disadvantaged**
- Be owned by someone whose personal net worth is \$250,000 or less
- Be owned by someone whose average adjusted gross income for three years is \$250,000 or less
- Be owned by someone with \$4 million or less in assets
- Have the owner manage day-to-day operations and also make long-term decisions

Veterans

- Be at least 51 percent owned and controlled by a Veteran

** Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged. (Title 13, Chapter I, Part 124, Subpart A, §124.103)*

*** Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities. The social disadvantage must stem from circumstances beyond their control. (Title 13, Chapter I, Part 124, Subpart A, §124.104)*

IMPORTANT PRIVACY NOTICE
****Read Before Completing the Application Form****

We are asking that you provide the information on the Sustaining Loan Program application form to determine if you are eligible to participate in the program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the Sustaining Loan program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the U.S. Department of Housing and Urban Development or other local, state and federal agencies providing oversight for the purpose of addressing/resolving applicant complaints (as addressed in the projects policy and procedural manual).
- Those persons who you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

Signature of Applicant

Date

Signature of Co-Applicant

Date

Minnesota law gives you important rights in regards to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you;
- Be told the contents and meaning of the data; and
- Challenge the accuracy and completeness of the data.

To learn more about these rights, contact Travis Higgs at (507) 387-8621