

TOWN OF CLINTON
**COVID-19 SMALL BUSINESS RESILIENCY LOAN
PROGRAM GUIDELINES**

The Clinton COVID-19 Small Business Resiliency Loan Program provides funding to qualified local businesses to address short-term impacts of the 2020 COVID-19 pandemic and State of Emergency. The Clinton Board of Selectmen has made \$150,000 in funding available for this program, derived from the Town of Clinton Community Development Fund. Subject to the availability of funds, loans of up to \$5,000 are available. Requests for larger amounts may be considered on a case-by-case basis.

Small Business Resiliency Loan assistance targets financial impacts of COVID-19 for the period beginning March 10, 2020, and extending to April 30, 2020. Impacts may include:

- Difficulty in meeting monthly fixed costs as a result of COVID-19
- Loss of business, as demonstrated by either:
 - a greater than 50% reduction in gross receipts, or
 - a greater than 50% reduction in full- or part-time staffing
- Certain increased expenses that result from COVID-19

ELIGIBLE BUSINESSES

- Businesses located within Clinton, as evidenced by a commercial lease or mortgage, or:
- Clinton businesses that, in addition to owner, withhold payroll taxes for at least one employee

ELIGIBLE USES OF FUNDS

- Employee payroll and benefits
- Rent and other fixed costs
- Loss of sales (limited) or inventory
- Unusual expense related to COVID-19 response

APPLICATION

On-line application may be found at <http://clintonma.gov/FormCenter/CEDO-7/COVID19-Small-Business-Resiliency-Loan-A-54>

A downloadable application form (PDF) may be found at <http://clintonma.gov/DocumentCenter/View/1769/COVID19-Small-Business-Resiliency-Loan-Application> or mailed upon request.

In addition, applicants are required to submit the following:

- IRS Form W-9, which can be found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>
- A copy of the business's most recent federal tax return
- Most recent year-end financial statements, which may include a Profit & Loss Statement, Balance Sheet, or other commonly used statement. If you need assistance in compiling information, please contact the CEDO at cedo@clintonma.gov

Additional application information may be required. All information submitted shall be strictly confidential, and will be used only for the purpose of application and review.

Completed applications and documentation may be transmitted online, via email, or by postage.

Clinton CEDO
Clinton Town Hall
242 Church Street
Clinton, MA 01510

Email: cedo@clintonma.gov

REVIEW AND AWARD

Review of applications shall be performed by the Clinton Community & Economic Development Office. During review, the Town shall rely upon the following criteria for consideration:

- Magnitude of impact upon business operations
- Self-declaration of the business's importance to the community, including employment, unique products, services, or facilities, public benefit or community involvement, and/or years of operation in Clinton
- Demonstration that the business is forward-looking; that it is planning for recovery and post-COVID-19 operations, and, if necessary, is prepared to seek other emergency assistance, including Small Business Disaster funding.
- Demonstration that, prior to March 10, 2020, the business was in good standing relative to permits, licenses, and taxes; that it was not subject to any outstanding judgements, and that financial statements indicate that the business was at least stable.

Based upon review of application materials or the availability of funds, the Town reserves the right to make partial loan offers. In no instance shall loan offer exceed the applicant's demonstrated or projected losses, fixed costs and payroll, and additional expenses.

TERMS AND CONDITIONS

INTEREST: Per annum rate of three (3) percent, simple interest. Interest is deferred for 12 months following the lifting of the Commonwealth of Massachusetts COVID-19 State of Emergency

REPAYMENT: Repayment is deferred for 12 months following the lifting of the Commonwealth of Massachusetts COVID-19 State of Emergency Borrowers may choose to repay loans over periods ranging from 12 to 48 months. Loans may be repaid in full at any time without penalty. Terms may be extended for cause on a case-by-case basis.

Repayment plans will be administered by the Town of Clinton Economic Development Office.

SECURITY: Resiliency loans are secured by a personal guaranty.

OTHER CONDITIONS: Resiliency loans are non-transferable except for changes of ownership between family members and/or changes in principal ownership among joint owners identified in original application. Loans are due immediately upon elective dissolution of the business, sale or transfer of ownership in an arms-length transaction, or re-location of the business outside of Clinton.

DISCLAIMER: The submittal of an application is not a commitment by the Town of Clinton to complete a Resiliency Loan transaction with the Applicant, nor does it constitute an offer to lend under the Resiliency Loan Program. Not all Applicants will qualify for a Resiliency Loan. Applications are subject to certain underwriting guidelines and the availability of funds under the Resiliency Loan Program.

CONTACT INFORMATION

For additional information, contact Philip Duffy, Community & Economic Development Director at pduffy@clintonma.gov or by telephone at (978)365-4113.