



# CITY OF MONROE

## SMALL BUSINESS LOAN FAQ

*All applications will be handled on a first come-first served basis.*

### What are the eligibility requirements?

- The business owner **MUST** be considered low to moderate income (< 80% Area Median Income), or 51% of employees are low or moderate income, or business is located in a low to moderate income Census Tract. See income chart below to determine household income.
- The business **MUST** be considered small according to the Small Business Association (SBA) guidelines.
- The business **MUST** have a physical location within the City of Monroe
  - [Check Address Here](#)
- The business **MUST** have experienced a loss of income due to COVID-19
- The business owner **MUST** 18 years or older
- The business owner **MUST** be current with all Property Taxes and City Fees
- The business **MUST** hold a Valid Business License from Taxation and Revenue
- The business **MUST** hold a Certificate of Occupancy from Planning and Zoning (If Applicable)

### What type of business can apply?

- All businesses –veterans' organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors that meet Small Business guidelines

### What businesses are NOT eligible to apply?

- Businesses that are franchises, chains, or restricted to patrons above the age of 18 will not be eligible for award
- Businesses that are **Non-Profit**
- Businesses located **outside of the City of Monroe**
- Owner **MAY NOT** be a City of Monroe Employee

### What is the maximum amount of a loan?

The maximum amount of the loan can be for **\$15,000**.

### How do I apply?

- **Application Period:** As long as CARES Act funds are available
- **Step 1:** You will be required to complete a Preliminary Application: [Small Business Pre-Application](#)
- **Step 2:** Upon review of your Preliminary Application, if deemed eligible to apply, you will be sent a link to complete the Full Small Business Assistance Application



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### How do I determine my income eligibility?

To determine if you meet the initial eligibility criteria please estimate your household income and determine where your income fits in the chart below. You will be required to upload supporting documentation to prove income eligibility

Number of persons per household	1	2	3	4	5	6	7	8
80% of Median Income	\$32,450	\$37,050	\$41,700	\$46,300	\$50,050	\$53,750	\$57,450	\$61,150

### Household Income Information

- Household includes **ALL** persons living at your home including yourself
- Household income estimate is the combined total for **ALL** working adult members of the household

### What documents will I need to submit to along with my application?

- Copy of Driver's License
- 2020 Tax Return (If Filed) otherwise 2019 Tax Return for Business
- Certification of Occupancy issued from City of Monroe Planning and Zoning Division
- Occupational License from State of Louisiana Taxation & Revenue Division
- 2019 & 2020 IRS Quarterly 940, 941, or 944 Payroll Tax Report
- Gross wages for each employee, if paid W-2 wages
- Valid Business License
- Copy of Mortgage Statement or Lease Agreement
- Copy of Most Recent Operating Bills (Utilities, Vendors, Etc.)
- Copy of COVID-19 Recovery Business Plan
- Copy of Monthly Business Expenses
- Proof of Income Loss due to COVID-19
- Business General Liability Insurance
- Completed W-9
- Business Bank Statements (January-August)
- Any Received Delinquency Letters
- Letter of Reference from Banking Financial Institution



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### **Why must I agree to share financials and what does the review consist of?**

- Federal regulations require that applicants must provide income documentation and proof of loss of revenue due to COVID-19
- This documentation will be reviewed for accuracy to determine eligibility for Small Business Assistance
- Follow up questions may be asked to better understand your situation

### **What can I use these funds for?**

You should use the proceeds from these loans towards your:

- Payroll costs/taxes
- Business Mortgage/Lease obligations
- Business Operating Expenses
- Business Debt Payments
- Business PPE Supplies
- Additional Expenses will be approved on a Case by Case basis

### **What can I NOT use these funds for?**

- Financing the Acquisition of Real Property or Land
- New Vehicle Purchases/Leases
- Temporary Employees furnished by a staffing agency
- Security Deposits
- Providing funds for distribution or payment to the owner, partners, or shareholder of applicant
- Paying of any tax lien or liability

### **What counts as payroll costs?**

- Payroll costs include:
- Salary, wages, commissions or tips;
- Payments required for the provisions of group health care benefits including insurance premiums;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income or net earnings from self-employment, on an annualized basis for each employee.

### **What are the loan terms?**

The loan has a maturity of up to 36 months at 0% interest. The loan will be fully forgivable if the funds are used for payroll costs, mortgage or rent payments, or utilities.



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### **How long will the Small Business Assistance Program last?**

We encourage you to apply as quickly as you can because there are limited funds, that will be distributed on a first come first serve basis for eligible applicants.

### **How many applications may I submit under the program?**

Only one.

### **When will I receive my assistance funds?**

Upon approval and receipt of all required documentation and signed loan agreement

### **How much of my loan will be forgiven?**

If funds are used for eligible costs, the loan will be 100% forgiven. You will owe money when your loan is due if you use the loan amount for anything other than the expressed expenses mentioned above. You will also owe money if you do not maintain your staff and payroll as expressed in the application. Your loan will require repayment if falsified documentation is discovered.

### **How will my loan be forgiven?**

You will be required to submit documentation verifying eligible expenses incurred during the period of the loan. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage, rent, and utility payments. City of Monroe will make a decision on the forgiveness within 30 days.

### **What is my interest rate?**

0%

### **When do I need to start paying interest on my loan?**

- All payments are deferred for 6 months.
- 30 days before due we will send a reminder or statement.

### **When is my loan due?**

In three (3) years.

### **Can I pay my loan off early?**

Yes. There are no prepayment penalties or fees.



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### **Do I need to pledge any collateral for these loans?**

No collateral is required.

### **Do I need to personally guarantee this loan?**

No. There is no personal guarantee requirement.

### **Where does the funding for the Small Business Loan Program come from?**

The program is funded through the City of Monroe's Community Development Block Grant Program CARES ACT, which is a Federal Entitlement Program administered through the U.S. Department of Housing and Urban Development.

### **In what instances can I be deemed Ineligible for Small Business Assistance?**

- Incomplete Application
- Business located Outside City Limits of Monroe
- Failure to respond to City Staff calls/emails
- Failure to show Financial Need/Impact
- Failure to provide Required Documentation