

**METROPOLITAN BUSINESS DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING AGENDA
Monday, March 30, 2020
Via Video Teleconference
2 P.M.**

Roll Call

Approval of special meeting minutes

New Business

- Transfer of funds to LHOME to be used for Small Business Continuity Loans

METCO MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: BRENDA HYATT
SUBJECT: REQUEST TO TRANSFER FUNDS TO LHOME FOR EMERGENCY LOAN FUND
DATE: MARCH 30, 2020
CC: REBECCA FLEISCHAKER

In response to the pandemic of COVID-19, METCO has been asked to contribute to an emergency loan fund. The mission of METCO is and has always been to provide loans to businesses located in Louisville Metro that promote the public interests and purposes of Louisville Metro.

With the participation and cooperation of Louisville Forward, Render Capital, LHOME, and GLI, the Small Business Continuity Loan Fund has been developed to meet the immediate needs of small businesses while they await funding from the SBA and additional sources. LHOME is poised and ready with the technology and staff necessary to quickly turn loan requests into cash available to our most vulnerable small businesses here in Louisville.

METCO has over two million dollars available in our Small and Disadvantaged Gap Loan fund. We have the opportunity to assist LHOME in serving our small business community by contributing to The Small Business Continuity Loan Fund.

The President and Manager of METCO are requesting the METCO Board to approve a transfer of \$500,000 to LHOME to be used for Small Business Continuity Loans.

SMALL BUSINESS CONTINUITY LOAN PROGRAM
administered by LHOME
in partnership with Render Capital, Louisville Forward, and GLI
AVAILABLE AS OF APRIL 1, 2020

Eligible borrower:

- Small Businesses with 10 or fewer employees. Business must show emergency connected with COVID-19 economic crisis.
- Business must be located in Jefferson County, KY.
- Business must be in good standing with Louisville Metro Revenue Commission as of March 1, 2020, verified by LHOME staff.

Loan terms and Application Requirements/Process:

Up to 60-month term with first six (6) months deferment of principal repayment. Loans are intended to serve as a low-cost loan to bridge into the SBA loan programs, providing quicker emergency assistance to more businesses. However, if the SBA or some other assistance is not procured or in process during the initial deferment period of six (6) months, the loan can be extended through the full term of the loan upon negotiation and documentation to LHOME. No prepayment penalty if other assistance is secured and used to pay off loan early.

- Zero percent interest
- Promissory note contains requirement for borrower to receive technical assistance, including applying for other assistance within first three months of closing date
- Loan cap: \$25,000; loan amount will be determined by documented need
- Need to show emergency and connection to COVID-19 pandemic impact

Application packet includes (using Lenderfit for speed, ease, and security):

- Balance sheet and income statement end of January 2020
- Balance sheet and income statement month-end prior to application date
- Proof of employee losses/layoffs
- Proof of loss of contracts/reduction cash sales
- Other proof of COVID-19 impact
- Summary from borrower to show how funds will be used to maintain or ensure the viability of their company for the next six (6) months, e.g., retain their employees and make payroll, continue to pay lease agreements as agreed, payments on leased and purchased equipment, maintenance and repair during downtime, maintain other operating costs.

Program Outcome: Keep businesses viable through the crisis; bridge businesses to long-term financing for continued success.