County of Monterey Small Business Revolving Loan Fund - Emergency Microloan Fund

Background of County of Monterey SBRLF:

The County of Monterey's Economic Development Department (County) operates a Small Business Revolving Loan Fund (SBRLF) that was originally capitalized by a U.S. Department of Commerce, Economic Development Administration (EDA) funding as the initial capital for an economic development tool designed to assist small businesses located within Monterey County, CA. The County contracts with California Coastal Rural Development Corporation to assist with the SBRLF.

New!   Emergency Microloan Fund:

In response to the COVID-19 crisis and shelter-in-place orders that temporarily shut down many small businesses in the county, economic development partners determined there is a strong need for quickly accessible, small-sized loans to small businesses affected by those closures. Therefore, funds from the SBRLF will be used for an Emergency Microloan Fund that has been designed to support small businesses located within the county of Monterey.   Applicants must demonstrate they have been financially burdened by the COVID-19 public health emergency. The underwriting, approval, and closing process has been streamlined and will be designed to facilitate rapid deployment of capital to businesses in need. Once the COVID-19 crisis is over, the Emergency Microloan Fund will stop accepting new loan applications and will revert to the regular SBRLF program.

- Loan amounts range from $5,000 to $25,000.

- Interest rate is the lower of 4%, or 75% of Wall Street Journal Prime Rate (Currently 2.44%).

- The maximum loan term is 5 years.

- The loans can have an initial payment deferment period of up to 9 months (interest still accrues during the deferment period).

- Loan proceeds can be used for working capital and may go toward business expenses, such as; payroll, rent, inventory, supplies/materials, utilities, professional services, and more.

- Funding is subject to availability of funds (a submittal of a loan application does not guarantee funding).

- The loan/application fee will be waived. Borrowers are responsible for paying a $250 documentation fee and closing costs (e.g. credit report, recording a lien filing, etc.). These fees can be financed into the loan.

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Eligibility Requirements:

- Must be located within Monterey County.
- Should have between 2-10 employees.
- Should have annual revenues that do not exceed $2,000,000.
- Be an operating business, not a passive real estate entity.
- Have been in business for a minimum of one year.
- Must present a feasible plan to recover post-disruption.
- Be current on federal income taxes.

To get started, potential borrowers must submit a pre-qualification on our website at www.calcoastal.org/pre-qualification/ or by phone at 831-424-1099. If eligible, you will be required to submit a loan application with supporting documents as follows:

Loan Application Requirements:

1. COVID-19 Disaster Impact Statement: Provide overview of the business, showing that it would be profitable without disaster disruption, and the economic injury of the disaster on the business. Business should explain why they need the loan amount requested and specifically how the working capital funds will be used (1 page or less).
2. Cal Coastal Loan Application.
3. 2018 & 2019 Federal tax returns (if available) or year-end internal financial statements (balance sheet and profit and loss statement).
4. A current business interim financial statement (balance sheet and profit and loss statement).
5. Existing Debt Schedule.
6. A Personal Financial Statement.
7. Additional items as requested (e.g. lease agreements, organizational documents such as fictitious name statement, business license, partnership agreements, articles of incorporation & by-laws, etc.).

For one-on-one assistance in completing a loan application, you may also sign-up for an appointment with Cal Coastal Small Business Development Center (SBDC) at https://calcoastalsbdc.ocom/covid-19-resources or by phone at (831) 676-2017.

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