



Missouri Small Community Working Capital Relief Loan Program

Program Guidelines

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, Missouri 65102
Phone: (573) 751-8479 / Fax: (573) 751-4418

Purpose of the Program

The Missouri Small Community Working Capital Relief Loan Program is designed to provide any Missouri city with a population of less than 25,000 access to an interim working capital operating loan to address projected General Fund or city-owned utility enterprise fund shortfalls due to COVID-19. The loans are being offered to assist cities in the maintenance of essential governmental services.

Use of Loan Proceeds

All loan proceeds must be used to replace tax, license, fees or other governmental revenues that have been lost due to COVID-19. Loan proceeds will be provided by the Board to the city's General Fund. Borrowers may keep the proceeds in its General Fund, or transfer part or all proceeds to city-owned utility enterprise funds.

Terms of the Loans

Loan Amount: \$50,000 (minimum) and \$300,000 (maximum).

Maturity: One year from the date the loan is funded. Upon request of the city and the payment of a \$1,000 renewal fee, the maturity of the loan may be extended for up to three (3) additional years.

Interest Rate: Zero percent (0%) interest for the first year. If the loan is extended, the interest rate on the loan will be as follows:

Two percent (2.0%)	Second year
Two and one-half percent (2.50%)	Third year
Two and three-quarters percent (2.75%)	Fourth and final year

Interest payments: During the first year, none. Thereafter, monthly, quarterly or semi-annually, as mutually agreeable to the Borrower and the Board.

- Principal Payments: One principal payment due at maturity.
- Prepayment: The loan can be prepaid at any time without fees or penalty by paying the outstanding principal of the loan and accrued interest, if any.
- Origination Cost: None.
- Legal Costs: The City and the Board will each pay its own legal costs.

Conditions/Restrictions

Each city will be required to represent that (a) the loan is necessary to avoid a reduction in essential governmental services, and (b) that due to COVID-19 it has lost taxes, license payments, fees or other governmental charges in an amount at least equal to the loan amount. The city cannot be in default on any currently outstanding bond or loan payments.

Prior to any request for the extension of the loan term, the city will be required to provide confirmation that the payment of principal (if any) and interest due on the loan for the next 12 months has been appropriated for payment or will be included in the budget for the next fiscal year, as appropriate.

Security for the Loans

Loans will be payable from all legally available monies of the city, subject to annual appropriation.

Timing

Applications must be received by December 31, 2020.

Application

The form of the Application is attached. Each Application must be accompanied by a \$1,000 check that will be held by the Board as a good faith deposit. Upon either the closing of the loan or the Board's rejection of the Application, the good faith deposit will be refunded to the Applicant. Applicants who are approved for a loan that does not close will forfeit their good faith deposit.

Closing Documents

1. Enactment of city ordinance approving the loan application and authorization for entering into the loan.
2. Standardized Promissory Note and Loan Agreement.

Additional Information

Additional information concerning the Program can be obtained by contacting Kathleen Barney, Senior Portfolio Manager, at (816) 807-1170 or kathleen.barney.mdfb@ded.mo.gov.

MISSOURI DEVELOPMENT FINANCE BOARD

**MISSOURI SMALL COMMUNITY WORKING CAPITAL RELIEF LOAN
PROGRAM APPLICATION**

The undersigned Applicant hereby submits this Application and requests the Missouri Development Finance Board (the "Board") fund an operating capital loan (the "Loan") on the terms described in the Program Guidelines.

Date: _____ Amount of Loan Requested: \$ _____

A. APPLICANT

Name: _____
Address: _____
City _____ County _____ State: _____ ZIP: _____
Contact: _____ Title: _____
Phone: _____ Fax: _____
E-mail: _____

B. FINANCIAL INFORMATION

Attach audited financial statements for the last three fiscal years, and the most recent quarterly or monthly interim financial statement prepared.

C. INFORMATION

1. Financial Difficulties:

Has the Applicant, or any corporation formed by or on behalf of the Applicant, ever defaulted on its debt obligations, been involved in bankruptcy, creditor's rights, or receivership proceedings, or been involved in criminal proceedings bearing on the handling of financial matters?

Yes No If yes, please give details.

2. COVID-19 Lost Revenues:

Briefly describe the types of lost taxes, license payments, fees, or other governmental revenues lost.

3. General Fund Surpluses (or Deficits):

Please list the Applicant's general fund historical surpluses (or deficits) for the last two years and the projected surplus (or deficit) for the current fiscal year.

Year	General Fund
_____	_____
_____	_____
_____	_____

D. LITIGATION

Is the Applicant presently involved in any litigation which could have a material effect on its financial solvency?

Yes No If yes, please give details.

E. SECURITY AND CLOSING DOCUMENTS FOR THE LOAN

The Applicant understands that the loan will be payable from all legally available monies of the city, subject to annual appropriation. Closing documents evidencing and securing the loan will consist of those cited in the Program Guidelines.

F. REPRESENTATIONS

The undersigned hereby represents:

- (a) The Applicant's estimated population as of January 1, 2020 was less than 25,000 as confirmed by the most recent U.S. Census Bureau data published.
- (b) The loan is necessary to avoid a reduction in essential governmental services.
- (c) The Applicant has lost taxes, license payments, fees, or other governmental revenues or charges due to COVID-19 in an amount at least equal to the loan amount.
- (d) To the best knowledge and belief of the undersigned, the information in this Application is correct.

Attached hereto is a check in the amount of \$1,000 representing a good faith deposit that the Applicant expects to close the loan. The undersigned understands that upon either the closing of the loan or the Board's rejection of the Application, the good faith deposit will be refunded to the Applicant. Applicants who are approved for a loan that does not close will forfeit their good faith deposit.

Dated this _____ day of _____, 20 ____

NAME OF APPLICANT: _____

SIGNATURE: _____

NAME OF SIGNER: _____

TITLE: _____