

TOWN OF BRATTLEBORO
SMALL BUSINESS DISASTER RELIEF PROGRAM
Policies and Procedures

A. POLICIES

- I. Purpose:** By its very nature, disaster cannot be predicted, planned for nor often survived. Small businesses are often victims with catastrophic losses yet are not in a position to access the needed capital to move, purchase new equipment or inventory or otherwise survive the disaster. The Small Business Disaster Relief Loan Program (SBDRP) provides low-interest loans to help the affected business meet the immediate needs created by the disaster.
- II. Governing Policy:** SBDRP loan funds shall be made available to applicants who meet all program eligibility and lending requirements and criteria on a first come, first served basis. Commitment of loan and disbursement of funds shall be contingent on the availability of funds in the SBDRP.
- III. Eligibility Requirements:** In order to qualify for assistance, an applicant must meet the following eligibility requirements:
- a) The loan applicant shall be the owner(s) of the business
 - b) The business must remain in Brattleboro
 - c) As a basic guideline; eligible businesses are those which fall within the definitional thresholds set by the Small Business Administration,
 - d) Ownership of the business must be documented by applicable legal and tax documentation.
 - e) The applicant shall provide evidence that personal and real estate taxes on any property owned by a principal or corporate interest involved in the application project are current.
- IV. Eligible Activities/Expenses:** Activities eligible for assistance through the SBDRP are:
- a) Expenses directly associated with operating a business
 - b) Repair or replacement of damaged inventory.
 - c) Repair or replacement of damaged equipment
 - d) Expenses related to moving to a new location
 - e) Expenses related to re-construction, either interior or exterior, to allow the business to operate

Note: Demolition or improvement of buildings located in a National Historic District, a nationally registered building, or building eligible for nomination to the National Register of Historic Places must meet State Historic Preservation guidelines.

- V. Ineligible Activities/Expenses:** SBDRP funds shall not be used for:
- a) Payment of back taxes.
 - b) Payment of debt service.
 - c) Expansion of the business
- VI. Lending Criteria:** In addition to complying with the eligibility requirements set forth above, financial assistance shall be offered only if the following lending criteria are met:
- a) Evidence of loss
 - b) Financial statements - balance sheet and income statement
 - c) The activity should be consistent with the Town Plan
 - d) The activity shall be and remain in compliance with all applicable local and state regulations and codes.
- VII. Loan Amount and Terms:** The following criteria govern loan amount and terms:
- a) A loan up to \$10,000 may be applied for.
 - b) A loan may be obtained for up to five years from date of closing.
 - c) The interest rate of the loan shall be set at one-half below the Wall Street Journal Prime Rate at the time of the loan closing, but no less than three (3) percent.
 - d) A Loan Agreement, Corporate Promissory Note, Individual Promissory Note, Mortgage Deed and UCC Financial Statement shall be executed and duly filed, as applicable, on the day of closing.
 - e) An Individual Promissory Note is required by any person owning 20 percent or more of the company.
 - f) Term life insurance on the signer covering the amount of the note and assigned to the Town may be required.
 - g) Proof of future disaster insurance, when applicable and available
- VIII. Loan Review Committee:** The Loan Review Committee of the Small Business Assistance Program shall be the Loan Review Committee for the SBDRP.

B. PROCEDURES

- I. Application and Application Review Procedures:** An application package containing the application summary form and all requested information shall be submitted to the Loan Manager. The package will be reviewed for eligibility and completeness. The applicant will be notified of the status of the application as soon as possible from the receipt of the application. If the application is incomplete for any reason, the applicant shall have two weeks to address the deficiency. Failure to meet this deadline shall result in a forfeiture of application position and require a resubmission. Upon satisfactory review of an application, the Loan Manager shall submit the application package, accompanied by an application summary, to the Loan Review Committee.

II. Loan Review Committee Review of Applications:

- a) The Committee shall meet as needed to review and act on loan applications. It is required that the applicant or its agent attend the meeting.
- b) If the Committee deems that additional information is required before acting on an application, this information shall be requested from the applicant and submitted to the Committee.
- c) During its review, the Committee reserves the right to adjust the loan amount and set the terms of the loan. The applicant will be notified by the Loan Manager of any adjustment.
- d) Upon completion of its review, the Committee shall vote whether or not to approve the loan request. If the loan request is approved, the Committee shall submit a recommendation(s) to the Selectboard for its action. If not approved, no recommendation will be forwarded to the Selectboard.
- e) The applicant shall be notified in writing of the Committee's decision.

III. Selectboard Action:

- a) A loan application shall be scheduled for and considered at the next Board meeting following receipt of the Loan Review Committee's recommendation or at a special meeting held for that purpose. It is required that the applicant or its agent attend the meeting.
- b) The applicant shall be notified in writing by the Loan Manager of the Board's decision.

IV. Closing of the Loan and Disbursement of funds:

- a) If the loan application is approved by the Selectboard, a date for closing shall be set by the Town. No closing shall take place until all conditions contingent to closing have been met.
- b) Loan documents to be executed and duly filed at closing shall include a Loan Agreement, Corporate Promissory Note, Individual Promissory Note, Mortgage Deed, UCC Financial Statement, proof of term life insurance, and proof of disaster insurance as applicable.
- c) Disbursement of loan funds shall be made in no more than two payments subsequent to closing.
- d) False or misleading information shall be considered a default of the loan agreement, and may cause the Town to seek remedies as stated in the Loan Agreement.

V. Right of Appeal: An applicant whose request for SBDRP funds has not been approved by the SBDRB Loan Review Committee may appeal for reconsideration in writing to the Loan Review Committee no later than one week after notification. Pursuant to the Town Charter, any decision by a Town committee may be appealed to the Selectboard.

VI. Monitoring: The Town reserves the right to monitor the project periodically. Upon completion of the project, the applicant must submit a letter to the Town explaining how the project goals as stated in the loan application have been met.

Adopted by the Brattleboro Selectboard on the _____ day of September 2010.

BRATTLEBORO SELECTBOARD

Dick DeGray, Chair

Dora Bouboulis, Vice Chair

Martha O'Connor

Daryl Pillsbury

Jesse Corum, Clerk