



## PROPOSAL FOR EMERGENCY LOAN PROGRAM IN RESPONSE TO CORONAVIRUS

Appropriation Request: \$800,000.00  
Uses: Interest Rate Subsidy and Loan Loss Reserves  
Program Size: Up to \$10 million

A breakdown of the use of appropriation is as follows:

Loan Volume	\$10,000,000	
Interest Subsidy	\$ 300,000	(3% differential)
Loan Loss Reserves (5%)	\$ 500,000	(Est. based on history in Flood Loan Program)
<b>Total</b>	<b>\$ 800,000</b>	

### **Program Description:**

Eligible Borrowers: Any commercial, agricultural and not for profit organization that cannot meet obligations due to loss of business as a result of the Coronavirus pandemic.

Maximum Loan Size: \$100,000.00

Terms: Interest only at 1% for up to 12 months, then converting to amortizing loan at VEDA's applicable Small Business or VACC Loan Rates and based on amortization schedule per underwriting criteria

Fees: VEDA will waive its customary commitment fee; borrower to reimburse VEDA for out-of-pocket costs (filing fees, etc.)

Collateral: All loans to be secured by available collateral

Personal Guaranties: Required on owners of 20% or more of the business