

Q&A: Rapid Recovery Loan Program

The North Carolina COVID-19 Rapid Recovery Lending Program, led by The Rural Center, supports North Carolina small businesses and family farms as they recover from the economic impact of COVID-19. This Rapid Recovery Loan helps small businesses bridge the gap between the moment that crisis strikes and when federal loans, insurance payouts, and other relief funds are approved, or businesses have time to recover. The NC COVID-19 Rapid Recovery Loan Program will make loans to eligible businesses for up to \$50,000 with zero interest and no payments for six months. If not repaid in six months, the loan will automatically convert to a term loan.

Who can apply?

In order to be eligible, you must be a North Carolina small business with at least 1 employee, who could be the self-employed owner. The loan must be personally guaranteed by an individual with more than 20% ownership in the business.

How can the loan be used?

The loan must be used for maintaining or restarting a business. The use of loan funds to pay off debts already incurred for qualifying business maintenance or restart purposes may be authorized on a case-by-case basis.

Can it be used in addition to other assistance programs?

Yes however, you are required to assign proceeds of any anticipated claims, outside loans, or financial assistance grants to the repayment of your COVID-19 Rapid Recovery Loan.

How much money will a business receive?

Loans will be determined based on the company's current revenue and will be capped at approximately two months of revenue.

Does it need to be paid back?

Yes. This is **not** a grant program. Repayment is expected either from more permanent funding sources or from the future cash flow of the business.

What are the terms of the loan?

The first six months will have zero interest and no payments. The next 48 months will be principle and interest payments at 5.5% interest. Interest will begin to accrue on any unpaid balance at the beginning of the seventh month. There are no prepayment penalties. Defaulted loans are subject to collections.

When can the loan be expected?

The partners in this program are committed to moving as fast as possible to assist businesses and they will be in touch with you as soon as possible.

How to apply?

You can apply by completing an online application found here [ncrapidrecovery.org]. You will need to provide:

- Tax returns
- Profit and loss statements
- Bank statements

More questions?

To speak with someone about this program or other resources available to small businesses contact BLNC at 800.228.8443.