



BRIDGE LOAN PROGRAM FACT SHEET

Sturgis Economic Development Corp. is making \$300,000 available to help small business in the Sturgis and Meade County area. The SEDC Bridge Loan Program is now available to small business owners located in the Sturgis and Meade County area that are experiencing economic damage as a result of COVID-19. Loans can be up to \$5,000 per eligible business with 10 or fewer employees or up to \$10,000 for more than 10 employees.

These short-term, working capital loans are intended to “bridge the gap” between the time a major catastrophe hits and when a business has secured longer term recovery resources, receipt of payments on insurance claims or SBA assistance. The Bridge Loan Program is not designed to be the primary source of assistance to affected small businesses, which is why eligibility is linked pursuant to other financial sources. Loans made under this program are short-term debt loans, not grants. The SEDC Bridge Loans require repayment by the approved applicant from longer term financial resources like the SBA.

Loan Details

- **Area:** City of Sturgis & Meade County
- **Qualified Applicant:** Applications will be accepted by qualified for-profit or non-profit small businesses that maintain a place of business in the City of Sturgis & Meade County. All qualified applicants must have been established prior to March 9, 2020 and suffered economic injury as a result of the COVID-19 crisis.
- **Amount:** Up to \$5,000 per eligible small business with 10 or fewer employees or up to \$10,000 for more than 10 employees.
- **Term:** Up to 6 months. Extension may be given, at SEDC’s discretion for an additional negotiated term.
- **Limitation:** One loan may be made per eligible business. Bridge loans received MUST be paid in full.
- **Interest Rate:** Loans will be interest-free for the first 60 days for SEDC members and 3% for non-members. After 60 days, the interest rate would be 3% for SEDC members and 4% for non-members. Loan default is subject to a normal commercial collection process.
- **Application Period:** Applications will be accepted by qualified small businesses under this program through April 30, 2020, contingent on the availability of funds.

Required Information for Application

- Government issued personal identification of all individual applicants (driver’s license, state or federal ID).
- Federal Business tax returns for the last 2 completed years for all individual applicants, if 2019 business tax return not yet filed, include 2019 profit & loss statement along with 12/31/2019 business balance sheet
- Employer tax documentation
- Personal tax returns for the last 2 completed years with attached Schedule C for all individual applicants, if available and where appropriate
- Articles of Incorporation/By-Laws, if corporation; Articles of Organization, Operating Agreement if LLC
- Certificate of Good Standing
- Corporate Resolution giving authority to borrow funds and execute loan documents, if applicable
- Additional information that the applicant believes would assist the Loan Review Committee in making its decision (such as a loan summary), including why the business needs the loan.
- Personal guarantee required
- Letter of Intent to repay the loan once SBA and/or Financial Institution funding is obtained
- SBA Economic Injury Disaster Loan Status

Application Process

1. Complete one-page loan application attached.
2. Gather supporting documentation.
3. Email application and supporting documentation to: info@sturgisdevelopment.com
4. Staff member will contact you regarding status of loan application and to ensure completion of application. Upon receiving a completed application, loan process and closing is expected to take up to 72 hours, depending on demand.