

## RATON EMERGENCY MICRO LOAN PROGRAM FACT SHEET

The Raton Emergency Micro Loan Program was created by The City of Raton in an effort to assist local businesses who have been negatively impacted by COVID19. *All loan terms will be the same for everyone.*

- Micro Loans totaling no more than \$2500 will be available to Raton Businesses negatively impacted by COVID19. Funds may be used to cover hard business costs such as utilities, rent or mortgage assistance.
- All Loans will have a 1% interest rate and will be repaid within 24 months. A \$2500 loan repaid over 24 months would carry maximum payment of \$110 making this an affordable option for small businesses
- Loan payments will be deferred for 6 months and the 24 month repayment term will begin at the end of the 6 month deferment period.

### When and where can I apply?

- Starting April 15<sup>th</sup>, applications will be available online on the [www.RatonNM.gov](http://www.RatonNM.gov) site. Those owners that need a physical application mailed to them may call City Hall at 575-445-5991 for assistance. Applications will be accepted through April 30<sup>th</sup>, or until all funds for the program have been depleted.

### Who can apply?

All businesses – excluding nonprofit and religious entities, that were in operation as of 2/20/2020 and who have suffered a loss of (total or partial) business due to COVID19.

For this program, the State of New Mexico's LEDA Standards are waived for small businesses making this available to all industry types including those typically excluded such as hospitality or service industry businesses.

**What do I need to apply?** You will need to complete the Micro Loan Emergency Fund Application, the Expected Expenditure Worksheet, a [Certificate of Good Standing with the State of New Mexico](#) (if applicable), as well as a letter from the business owner explaining how their business has been negatively impacted and discuss plans to remain sustainable after COVID19.

**How long will this program last?** Although applications for the program will be accepted until April 30<sup>th</sup>, there is a limited amount of funds (\$20,000) allocated to this program.

**How many loans can I take out under this program?** Only one.

**What can I use these loans for?** You should use the proceeds from these loans on your:

- Utility Costs
- Mortgage Payments on property purchased prior to February 15, 2020;
- Rent, under lease agreements signed before February 15, 2020

**How large can my loan be?** Loans can be for up to two months of your average qualified costs. That amount is subject to a \$2500 cap. *We request that businesses apply for only what is necessary so that we can help as many businesses as possible,*

**What is my interest rate?** 1.00% fixed rate.

**When do I need to start paying interest on my loan?** All payments are deferred 6 months from the day of signing; the 24-month repayment terms and interest accrual will begin once repayment restarts after the 6 month deferral period

**When is my loan due?** In 2 years.

**Can I pay my loan earlier than 2 years?** Yes. There are no prepayment penalties or fees.

**Do I need to pledge any collateral for these loans?** No. No collateral is required.

**Do I need to personally guarantee this loan?** No. There is no personal guarantee requirement. \*\*\*However, if the proceeds are used for fraudulent purposes, the City of Raton will pursue criminal charges against you. If the debt goes unpaid, the City of Raton reserves the right to pursue collections\*\*\*

**What do I need to certify?** As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.