

AFCU Community Assistance Loan Fund Guidelines for business borrowers

Business Loans (\$8,000 Max)

In keeping with our social justice mission and steadfast commitment to economic empowerment for the communities we serve, the Board of Directors of Alternatives Federal Credit Union (AFCU) approved a historic, \$1.4 million 0% interest rate, repayable, “**Alternatives Federal Credit Union Community Assistance Loan Fund**,” at its regular meeting last Thursday evening. These funds will be made available to those **businesses, organizations, and nonprofits** who have suffered a loss of income due to the COVID-19 pandemic.

Applications are open to both current members and non-members of the credit union.

Alternatives Federal Credit Union is an Equal Credit Opportunity lender and encourages applications by women, people of color, and WBE and MWBE business enterprises, among others.

The details

- Maximum loan is 2Xs previous monthly expenses prior to shut down or \$8000, whichever is less.
- For questions about qualifications, applications, and process, please contact: **Kathleen Clark, Director of Business Development** at kclark@alternatives.org
- Interested **businesses, organizations, and nonprofits** should visit:

[AFCU's COVID-19 Resource Toolkit](#)

- Download the PDF application and return it **with required supporting documentation (see details below)** to: businessloans@alternatives.org

Please review the following important guidelines:

Uses of Loan Funds

Funds may be used for the following operating expenses of the business:

- Wages and salaries of employees
- Health insurance premiums and costs related to continuation of health care benefits during periods of paid sick, medical, or family leave
- Fixed debts, including mortgage (refinance permitted)
- Rent
- Utilities
- Accounts payable
- Inventory
- Supplies
- Other necessary and reasonable expenses as specifically approved by the lender

Loan Terms/Forgiveness

- Interest Rate: 0%
- Term: 36 months
- Repayment: All loan payments are deferred for 3 months, then level monthly payments are amortized over the remaining term of the loan.

Collateral/Security

- No pledge of collateral is required
- Personal financial guarantee(s) of the owner(s) is required for all loans

Eligibility Requirements

- Principal place of business must be located within Tompkins, Schuyler, Seneca, Tioga, Chemung, Cortland or Cayuga County
- Business must have been in operation on or prior to February 15, 2020
- Business must have \$2.5 million or less in annual gross revenues
- Business, Organization, or Nonprofit impacted by COVID-19

Information required

For a complete application, submit the following information:

- Complete Community Assistance Loan Fund application
- 2019 financial statements (profit/loss statement and balance sheet)
- 2020 financial statements YTD and for month of March
- 2019 tax returns
- If business is a corporation or partnership, provide a copy of organizational documents
 - If a partnership: partnership papers
 - If a corporation: certificate of incorporation and shareholder agreement
 - If an LLC: articles of organization and operating agreement
- [A Personal Financial Statement from each principal of the business \(SBA form 413 or similar\)](#)