



# BAY-LAKE REGIONAL PLANNING COMMISSION

## **2020 Disaster Recovery Microloan Guidebook**



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**DISASTER  
RECOVERY  
MICROLOAN  
PROGRAM**

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# Disaster Recovery Microloan Program Guidebook

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# Bay-Lake Regional Planning Commission

## Disaster Recovery Microloan Program

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### Program Goal

The goal of the Bay-Lake Regional Planning Commission (Bay-Lake RPC) Disaster Recovery Microloan (DRM) program is to provide short-term assistance to businesses affected by disaster events in the Bay-Lake Region.

### Program Description

The Wisconsin Economic Development Corporation (WEDC) Disaster Recovery Microloan Program provides grants to pre-approved regional entities to deploy rapid response microloans to businesses affected by disasters. Bay-Lake RPC is one of the nine regional entities in the state that has the ability to distribute and administer microloans to businesses affected by disasters, either natural or man-made. The program was developed by and is funded through WEDC.

### Program Eligibility

Within 30 days following a natural or man-made disaster event, which may or may not include a corresponding State of Emergency or Disaster Declaration, Bay-Lake RPC will request allocation of funding to make microloans in the Bay-Lake RPC region. WEDC will review the documented funding request.

Certain businesses are eligible to receive funding while other businesses do not meet eligible criteria. Please see the below eligibility requirements to determine if a business is eligible to receive a microloan.

#### Eligible Microloan Recipients

The Disaster Recovery Microloan program funds are available to businesses meeting all of the following criteria:

- Must be located in or directly adjacent to the BLRPC region which includes: Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Oconto, and Sheboygan Counties. (Note: in a community that is split amongst two regions, the side with the most damage would determine the lead region for the disaster recovery microloan).
- Must have suffered measurable physical or economic losses because of the disaster event.
- Must attest to intent to resume business operations in the community as quickly as possible.

- Business and borrower(s) must be in compliance with, and current under, the terms and conditions of any loan, loan guarantee, lease, or other financing arrangement with any other creditor.
- Must be registered with the Department of Financial Institutions, unless operating as Sole Proprietorship.
- Must be current on all taxes (personal and business).
- Must not be listed by the WI Department of Workforce Development as a debarred contractor.
- Must not be listed by the WI Department of Administration as an ineligible vendor.
- Must not be on the WI Department of Corrections sex offender registry. If listed, the business owner shall be in compliance with reintegration requirements.

### **Eligible Activities**

Disaster Recovery Microloan funds may be used for the following activities:

- Procurement of cleanup and restoration services
- Operating expenses such as payroll (taxes, fines and fees are not eligible)
- Rent/mortgage for temporary space
- Repair and reconstruction (eligible use could include architecture and engineering costs, equipment/furniture/fixtures)

### **Ineligible Businesses**

The following businesses are ineligible for DRM microloan funding:

- Payday loan and title companies
- Telemarketing other than inbound call centers
- Pawn shops
- Liquor stores
- Adult entertainment venues
- Home-based businesses
- Farms

## **Loan Terms and Conditions**

Bay-Lake RPC will provide microloans to affected businesses under the following terms and conditions:

Loan Amount: \$1,500 - \$20,000

Interest Rate: 0.0% fixed interest rate

Loan Terms: 24 months (2 years) but may be extended to a maximum of 60 months (5 years) based on business cash flow analysis; with no early repayment penalty. Grants made to businesses in our member counties (Florence, Kewaunee, Manitowoc, Marinette, Oconto, Sheboygan) may be eligible for forgiveness up to \$5,000 (conditions apply).

Payment Deferral: Six months; loan payments to be made over the remaining months following the deferral period

Collateral: Collateral is required and will take the form of a security interest in a business asset(s)

Guarantees: Unlimited, unconditional personal guarantees are required from any person with a 20% or greater ownership interest in the business

## **Apply for a Microloan**

To determine a business's eligibility, applicants must complete and submit the application and required attachments to the BLRPC. An application form can be found in application in Appendix A.

### **Review/Approval**

BLRPC staff will review applications for eligibility and completeness. Once complete, BLRPC staff will conduct basic financial underwriting prior to approving loans to ensure the recipient is eligible and can repay the proposed loan. BLRPC will conduct a background check on all applicants. The scope of the background checks must include, at a minimum, the following:

- WI Department of Financial Institutions (WI DFI) Registration
- WI Department of Revenue (WI DOR) Delinquent Taxpayers List
- WI Debarred Contractors List (via WI Department of Transportation or other State Agency)
- WI Department of Administration Ineligible Vendors Directory
- Wisconsin State Corrections Sex Offender Registry
- Wisconsin Circuit Court Access (CCAP)
- Business Credit Check

Upon notification of a complete application, BLRPC staff will schedule a meeting of the BLRPC DRM Committee to review and approve the application and supporting documentation.

### **BLRPC DRM Committee Review**

The BLRPC DRM Committee will serve as the loan committee for the Disaster Recovery Microloan program. The primary purpose of the BLRPC DRM Committee review is to determine that the applicant meets the program objectives identified in this guidebook.

If the loan application is approved by the BLRPC DRM Committee, BLRPC staff will communicate with the borrower and issue a commitment letter outlining the terms and conditions of the loan. When the applicant accepts the commitment, BLRPC staff will prepare the loan closing documents and a loan closing date will be scheduled

### **Loan Closing**

At loan closing, BLRPC staff will work with applicants to finalize the contract; obtain necessary signatures for guarantees to ensure repayment; disburse funds to the borrower; and communicate the schedule for repayment.

BLRPC staff may distribute response and recovery resources to the borrower(s) at loan closing to ensure borrow(s) are connected with additional resources as they work to reestablish their business operations. In some cases, other partners may be invited to loan closing so the borrower can immediately meet with other partner(s).

## **Loan Servicing and BLRPC DRM Committee**

The BLRPC staff shall service the loan according to standard loan servicing guidelines.

The BLRPC DRM Committee will be responsible for the review and approval of loans. A majority of the committee members present is required to approve any action. This committee is authorized to process loan applications up to \$20,000, per loan. No loan shall be made without the approval of the BLRPC Loan Committee.

## **Loan Monitoring**

BLRPC will maintain records of borrow information and payments. BLRPC will verify and track all loan payments from borrowers and report payments to WEDC. BLRPC staff will provide updates of loan status to the BLRPC DRM committee, Executive Committee, and/or the Commission.

## **Communication Plan**

BLRPC will conduct outreach to promote the DRM program and to provide specific disaster event information. Outreach may include:

- Participating in public or private meetings, events, workshops and the like within the disaster area.
- BLRPC “E-Blast” to e-mail list (includes most if not all elected officials and plan commissioners within the region, as well as various agencies, public/nonprofit organizations and private sector businesses and consultants);
- Postings on BLRPC website and social media platforms; and
- Working with local Chambers of Commerce and Economic Development Corporations to distribute program information directly to local businesses.

The Bay-Lake Regional Planning Commission Microloan Lender may ask for additional information not included in this application.

### SECTION I-BUSINESS INFORMATION

<b>Legal Entity:</b> <input type="checkbox"/> C Corp <input type="checkbox"/> S Corp <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Nonprofit (Attach copies of IRS documents showing acceptance of Federal Tax Exempt Status)			
<b>Legal Name:</b>			
<b>Trade Name:</b>			
<b>Mailing Address:</b>			
<b>City, State, Zip:</b>			<b>County:</b>
<b>FEIN:</b> <small>(Federal Employee Identification Number –Tax ID)</small>			
<b>Date Established:</b>		<b>State of Organization</b> (Per Articles of Incorporation/Organization):	
<b>Current Employment</b>	<b>Full-time:</b>	<b>Part-time:</b>	
<b>Website URL:</b>		<b>Phone:</b>	
<b>Head of Organization:</b>		<b>Title:</b>	
<b>Phone:</b>		<b>Email:</b>	
<b>Briefly describe the business including products/services, locations and customers:</b>			

### SECTION II- PRIMARY APPLICATION CONTACT

<b>Project Contact:</b>	<b>Title:</b>
<b>Email:</b>	<b>Office Phone:</b>
<b>Cell Phone:</b>	<b>Mailing Address:</b>
<b>City, State, Zip:</b>	

### SECTION III- BUSINESS OWNERSHIP

<b>List All Owners:</b>			
Name	Ownership %	Phone	Email
<b>How many years has the business been under current ownership?</b>			

### SECTION IV- AFFECTED PROPERTY

<b>Physical Address:</b>	
<b>City, State, Zip:</b>	
<b>Property Owner:</b>	
<b>Email:</b>	<b>Office Phone:</b>
<b>Cell Phone:</b>	<b>Mailing Address:</b>
<b>City, State, Zip:</b>	



## SECTION V- DAMAGE

Describe the extent of your business loss to building, land, equipment, inventory etc. (attach photos if available):

Estimated Total Physical Business Damage:

Has or will your business register for assistance with FEMA ☐ Yes ☐ No

If no, please explain:

We encourage you to register with FEMA. FEMA's contact information is provided at the bottom of the last page.

Has/will your business apply for Small Business Administration (SBA) Assistance? ☐ Yes ☐ No

If no, please explain:

We encourage you to register with SBA through the contact information provided at the bottom of the last page.

Have/will any of the business's damages or economic losses be covered by other sources such as insurance, grants, reimbursements, loans, etc? ☐ Yes ☐ No

Please explain:

Insurance Carrier / Funding Source Name:

Agent's / Rep's Name:

Agent's / Rep's Email:

Agent's / Rep's Phone:

## SECTION VI- LOAN REQUEST

Please detail how you intend to use the microloan dollars:

Note: Business and/or personal guarantee(s) and a security agreement from the applicant will be required.

Rent/Mortgage Expense:

Operating Costs (taxes, fines and fees are not eligible):

Architecture & Engineering:

Equipment/Furniture/Fixtures:

Inventory Replacement:

Repairs/Renovations:

TOTAL (not to exceed \$20,000):

[Click here to enter text.](#)

## SECTION VII- BANKING - LENDER REFERENCE

Banking-Lender:

Banking-Lender Contact:

Email:

Office Phone:

Cell Phone:

Mailing Address:

City, State, Zip:

## SECTION VIII- BUSINESS STATUS

Answering no to one or more of the questions below or being unable to provide information requested below may not exclude you from a loan. You must, however, be current on all taxes prior to loan closing.

(a) Are you (personally) and your business current with state and federal taxes? ☐ Yes ☐ No

If no, please explain the amount overdue, reason and how you plan to become compliant prior to loan closing:

(b) Are you (personally) and your business current on your personal and business property taxes?

☐ Yes ☐ No

If no, please explain the amount overdue, reason and how you plan to become compliant prior to loan closing:

(c) Are you (personally) and your business compliant and current with the terms and conditions of any loan, loan guarantee, leases, or financing arrangements with any other creditor? ☐ Yes ☐ No

If no, please explain the amount overdue, reason and how you plan to become compliant.



<p><b>(d) Is your business currently registered with the Wisconsin State Department of Financial Institutions?</b> (This question is <u>not</u> applicable for a business operating as Sole Proprietorship)    <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please explain how you will become registered prior to loan closing:</p>
<p><b>(e) There is no known occurrence or event that could have an adverse material impact on you or your business. Such as but not limited to lawsuits, criminal actions, bankruptcy, violation of laws, lawsuits, criminal or civil actions, bankruptcy proceedings or regulatory intervention?</b>    <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, please explain how you will resolve this prior to loan closing:</p>
<p><b>(f) Attach a copy of the business's most current federal and state tax return or personal tax return if a Sole Proprietorship</b></p>
<p><b>(g) Attach a copy of the business's most recent balance sheets and profit and loss statements.</b> If not available, please explain:</p>
<p><b>(h) Attach a copy of personal financial statements of owners owning 20% or more of the business.</b></p>

### SECTION IX – COMPLIANCE CHECKS FOR MICROLOAN ELIGIBILITY

<p>Your business and its owners need to be in compliance with several authorities including but not limited to the following.</p>
<p><b>(a) For-profit Corporations, Limited Liability Companies, Limited Liability Partnerships, Limited Partnerships and Cooperatives doing business in the State of Wisconsin are required to register with the Department of Financial Institutions (DFI). These type of businesses must be registered using their legal name and be current with DFI. If your business is not listed as being current in DFI records your business is not eligible for a microloan. Businesses operating as Sole Proprietorships are not required to be registered with the DFI.</b></p>
<p><b>(b) The State Department of Revenue maintains a database of businesses and individuals with outstanding delinquent income taxes due to the State. Presence on this list indicates that the applicant or principal owner is in arrears on its income taxes. Any listed business or principal owner is not eligible for a microloan until they have paid their taxes and are removed from this list.</b></p>
<p><b>(c) The State Department of Workforce Development maintains a list of contractors debarred for state labor standard noncompliance related to state or local public works projects, or publicly funded private construction projects. Debarred businesses are not eligible for a microloan unless satisfactory evidence is provided that the issue is being resolved.</b></p>
<p><b>(d) The State Department of Administration maintains the Vendor/Net contracting system, which includes lists of businesses and other entities in noncompliance with State equal employment and affirmative action requirements, as well as a list of entities which have inappropriately collected or have not collected and remitted sales and use taxes. Any business or principal owner is not eligible for a microloan unless they can provide satisfactory evidence their violations have or are being resolved and have become current on all sales and use taxes owed.</b></p>
<p><b>(e) The State Department of Corrections maintains a database for sex offenders and there is also a Federal database. Any principal owner (20% or more) of a business that is listed on these databases is not eligible for a microloan unless they can provide satisfactory evidence that the owner is adhering to reintegration requirements and in compliance with parole or other judgments restricting the owner's manner of living.</b></p>
<p><b>(f) The Wisconsin Circuit Court Access is a statewide database that lists court cases for foreclosures, background checks, criminal and civil matters, sentencing data, judgments, and targeted direct mailings. Pending and rendered judgments will be assessed for collateral and capacity risk which may make the business not eligible for a microloan.</b></p>

### SECTION X - CERTIFICATION

<p><b>I hereby understand, attest, certify and/or agree to the following terms and conditions:</b></p>
<p><b>(a) That except as disclosed in SECTION VIII (a) you (personally) and your business are both current on state and federal taxes.</b></p>
<p><b>(b) That except as disclosed in SECTION VIII (b) you (personally) and your business are both current on your</b></p>

<b>personal and business property taxes.</b>
(c) That except as disclosed in SECTION VIII (c) you (personally) and your business are in compliance with and current under the terms and conditions of any loan, loan guarantee, leases, or financing arrangements with any other creditor.
(d) That except as disclosed in SECTION VIII (e) above there are no known occurrences or events that could have an adverse material impact on you or your business. Such as but not limited to lawsuits, criminal actions, bankruptcy, violation of laws, lawsuits, criminal or civil actions, bankruptcy proceedings or regulatory intervention.
(e) That the Microloan Fund Lender is authorized to obtain a credit check, insurance information and background checks on my business or any owner with 20% ownership or more and to discuss the business's condition with its creditors and insurance companies for the purposes of determining credit worthiness for a microloan.
(f) Agree to indemnify, defend and hold harmless the Microloan Fund Lender, its committees, agents, partners, business advisors or other associated parties against claims and damages relating to or arising from this application or any funds provided in connection with this application, and hereby release and waive any claims and damages arising now or in the future relating in any manner to rights, claims, damages, losses, liability, costs, or expenses against them.
(g) Agree that by submitting this application, neither the Microloan Fund Lender nor any of its partners are under any obligation to approve the loan.
(h) Acknowledge, understand and agree that you have applied for a 0% interest rate loan that is required to be paid back to the Microloan Fund Lender and that will be secured by a business and/or personal guarantee(s) and a security agreement.
(i) Agree that in the event credit is extended you will complete a direct deposit and payment authorization form allowing for the Microloan Fund Lender to transfer funds into your business's bank account and for your payments to be electronically debited by automatic clearing-house (ACH) and deposited into the Microloan Fund bank account.
(j) That the information supplied in this application and all other supplemental information submitted for review is true, accurate, complete and reflects my intended response.
<b>Signature:</b>
<b>Name:</b>
<b>Title:</b>
<b>Date:</b>
<b>Signature:</b>
<b>Name:</b>
<b>Title:</b>
<b>Date:</b>
Include additional signatures as required to authorize the submission of this application on behalf of the business.
<b>If you need assistance in preparing this application please contact Bay-Lake Regional Planning Commission, Sydney Swan: (920) 448-2820 ext. 107   E-Mail: <a href="mailto:sswan@baylakerpc.org">sswan@baylakerpc.org</a></b>

**Submit this application and its attachments to Bay-Lake Regional Planning Commission by Email or US Mail at the following addresses:**

**Email:     sswan@baylakerpc.org**

**US Mail:   Bay-Lake Regional Planning Commission  
              425 S. Adams Street, #201  
              Green Bay WI 54301**

**For questions on the application call: (920) 448-2820 ext. 108**

**Residents and business owners who sustained losses are also encouraged to apply for all forms of disaster assistance through FEMA and SBA by registering online at <http://www.DisasterAssistance.gov> or by calling 1-800-621-FEMA(3362) or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free telephone numbers will operate from 7:00 a.m. to 9:00 p.m. (local time) seven days a week until further notice.**

**For SBA application assistance please <https://sba.gov>.**