

COVID-19 Business Relief Loans - 2020

For Profit Businesses

UPDATE ON LOAN FORGIVENESS

June 28, 2021



COVID-19 Emergency Loans Loan Forgiveness - Summary Recap

Background: The source of the loan funds were from the PEDCO, ½ cent sales tax \$5 Million dollars for COVID-19 emergency grants and loans

Summary:

Number of Businesses approves for loans	38
Less: # of loans to non-profits forgiven in 2021	<u>-4</u>
Equals: Total number of “For Profit” business Loans	34

- Letters from the Mayor were mailed to 34 businesses on April 20, 2021 extending an offer for consideration of loan forgiveness with the submission of the following:
Description of financial status, the COVID-19 impact, description of loan business use, 1st quarter income statement for 2021 and 2020, 2020 Income Statement and Balance Sheet, and 2020 Income Tax Return

Responses to loan forgiveness consideration letter:

Total number of letters mailed	34
Number of businesses that did not respond	<u>-9</u>
Number of businesses responding/requesting loan forgiveness	25

Total number of businesses responding/requesting loan forgiveness	25
Number of businesses who did not submit complete information packets	-7
Number of business – loan forgiveness packets reviewed	18

Of the 18 packets reviewed:

12 businesses generated **net losses** for 2020 confirmed by review of tax returns while

6 businesses generated **net profits** in 2020.

Loan Repayment Timeline

- The Loan Repayments – per business loan agreement repayments are scheduled to begin as follows:

Loan Repayment Start Month	Number of businesses whose repayment begins
May 2021	21
June 2021	11
July 2021	2
August 2021	<u>0</u>
Total	34

- As of 6/25/2021 – 2 businesses have submitted monthly repayments that began in May
- Several businesses have called to request extension of start date for repayment

Next Steps in the Loan Forgiveness approval process

Where to from here?

Options – Discussion - Direction

