

VILLAGE OF HOMER GLEN
COVID-19 EMERGENCY SMALL BUSINESS ASSISTANCE LOAN PROGRAM
(ZERO PERCENT (0%) INTEREST BUSINESS LINE OF CREDIT)

Purpose – *Partnering to Keep the Lights On*

The Mayor and The Board of Trustees have determined that it is in the best interest of the Village to financially assist small businesses to survive short-term disruptions to business operations due to COVID-19.

Program Funding

Proposed Village funding of \$150,000 from the FY20 budget surplus. There may be potential additional funding as the program is assessed.

How Does the Assistance Work?

- Priority for assistance is ranked in the following order: 1) Restaurants and other commercial space businesses MANDATED closed or reduced operations by the State; 2) Other Commercial Space Retailers; 3) All Other Commercial Space Non-Retail Businesses.
- Zero percent (0%) interest business line of credit. The business repays only what they withdraw, at zero percent (0%) interest.
- \$10,000 combined maximum credit limit per business during the life of the program.
- During the first 30 days following approval, a minimum draw of \$1,000 up to a maximum of \$5,000 line of credit is available.
- During the second 30-day period, an additional minimum draw of \$1,000 up to \$5,000 maximum line of credit is available.
- Any balance in the combined maximum credit limit beyond the second 30-day period can be requested in increments of \$1,000 minimum up to \$5,000 maximum per 30-day period if the program still has available funds.
- Full repayment must be completed within 12 months of the final line of credit amount extended but no later than March 31, 2021.
- A series of repayment installments completed by the deadline is acceptable.
- The Program will extend credit (a minimum draw of \$1,000 up to a maximum of \$5,000 for each 30-day period from the first benefit) for up to six months from April 1, 2020. This time period can be further extended by the Village Board.
- No collateral is required.
- No fee to apply.
- The Village will wire approved funds to the business bank account.

Business Eligibility

- The business must have been open on March 16, 2020, (the effective date of the Governor's Executive Order) and at the time of application for assistance under this Program. Businesses that subsequently closed after March 16, 2020 must demonstrate that their operation is reopened and conducting business prior to receiving approved funds.
- For-profit only.
- The business is physically located, officially licensed and operates legally in Homer Glen.
- Independently-owned (one business location only operating in Homer Glen).

- Meets “small business” definition based on annual gross revenues less than \$1,500,000. For businesses open less than one year, YTD gross revenues are less than an average of \$125,000 per month.
Minimum time in business in Homer Glen: 3 months as of March 16, 2020 (effective date of Governor’s Executive Order).

Information Needed to Apply

- Information about the applicant and any partners or shareholders.
- Social Security Number(s) (SSN) required and Federal ID Number (FEIN) as applicable.
- Illinois Business Tax Number (IBT).
- Credit report no more than 30 days old submitted with the application.
- Six (6) months of sales tax returns (Form IL ST-1) and one of the following: a) Most recent income tax return; or, b) Audited financial statement.
- Completed Personal Guaranty form with notarized signature to ensure full payback to Village. For business partnerships, Personal Guaranty will be required for each partner.
- Completed Credit Check Authorization form. The Village reserves the right to conduct a credit check or D&B report.
- An estimate of how much working capital funding is needed (up to the maximum line of credit amount).
- Pending approval, the Village will need a completed bank routing form to wire the approved funds.
- Any confidential information will be redacted and is not subject to FOIA.

Application Review & Approval Process

- Administrative review by Village Manager, Finance Director and Economic Development Director.
- Final Approval for Funds Disbursement by Village Manager and Mayor.

Non-Repayment Recourse

- Failure to fully repay 100% of the funding extended to applicants by the deadline is grounds for the Village to initiate the following measures to recoup full reimbursement: a) reporting to credit agencies; b) pursuing the personal guarantee; c) closing the business per the Village Business License Code; and d) such other measures as the Village may deem appropriate in its sole discretion.

FAQs

What is a Working Capital Loan?

Working capital is what enables businesses to effectively manage business cash flow, even during times of financial instability. “Working capital loan” refers to any type of financing that helps a business cover everyday expenses. These loans can be used for short-term operational costs like rent, payroll, and accounts payable. These loans are not used for long-term investments or purchases.

What is a Business Line of Credit?

A business line of credit is a type of business financing that allows funds to be used on an as-needed basis and up to a specified limit. Unlike term loans that provide a lump-sum of money to a borrower, a small business line of credit doesn’t place business owners under pressure to use all of the funds available. The money is there when needed.

Village of Homer Glen

COVID-19 Emergency

Small Business Loan Assistance Program

(Zero Percent (0%) Interest Business Line of Credit)

Application



March 25, 2020

14240 W. 151 Street – Homer Glen, IL 60491 – (708) 301-0632

COVID-19 EMERGENCY SMALL BUSINESS ASSISTANCE

LOAN ASSISTANCE AVAILABLE

The following describes the business loan assistance that is available.

- Priority for assistance is ranked in the following order:
 - 1) Restaurants and other commercial space businesses MANDATED closed by the State
 - 2) Other Commercial Space Retailers
 - 3) All Other Commercial Space Non-Retail Businesses
- Zero percent (0%) interest business line of credit. The business repays only what they withdraw, at zero percent (0%) interest.
- \$10,000 combined maximum credit limit per business during the life of the program.
- During the first 30 days following approval, a minimum draw of \$1,000 up to a maximum of \$5,000 line of credit is available.
- During the second 30-day period, an additional minimum draw of \$1,000 up to \$5,000 maximum line of credit is available.
- Any balance in the combined maximum credit limit beyond the second 30-day period can be requested in increments of \$1,000 minimum up to \$5,000 maximum per 30-day period if the program still has available funds.
- Full repayment must be completed within 12 months of the final line of credit amount extended but no later than March 31, 2021.
- A series of repayment installments completed by the deadline is acceptable.
- The Program will extend credit (a minimum draw of \$1,000 up to a maximum of \$5,000 for each 30-day period from the first benefit) for up to six months from April 1, 2020. This time period can be further extended by the Village Board.
- No collateral is required.
- No fee to apply.
- The Village will wire approved funds to the business bank account.

Any questions, please call

Economic Development Director Janie Patch at 708-737-7697 (direct).

ELIGIBLE BUSINESSES

The following describes business eligibility for assistance.

- The business must have been open on March 16, 2020, (the effective date of the Governor's Executive Order) and at the time of application for assistance under this Program. Businesses that subsequently closed after March 16, 2020 must demonstrate that their operation is reopened and conducting business prior to receiving approved funds.
- For-profit only.
- The business is physically located, officially licensed and operates legally in Homer Glen.
- Independently-owned (one business location only operating in Homer Glen).
- Meets "small business" definition based on annual gross revenues less than \$1,500,000. For businesses open less than one year, YTD gross revenues are less than an average of \$125,000 per month.
- Minimum time in business in Homer Glen: 3 months as of March 16, 2020 (effective date of Governor's Executive Order).

INFORMATION NEEDED TO APPLY

The following describes the information that is needed to apply.

- Information about the applicant and any partners or shareholders.
- Social Security Number(s) (SSN) required and Federal ID Number (FEIN) as applicable.
- Illinois Business Tax Number (IBT).
- Credit report no more than 30 days old submitted with the application.
- Six (6) months of sales tax returns (Form IL ST-1) and one of the following:
 - a) Most recent income tax return; or,
 - b) Audited financial statement.
- Completed Personal Guaranty form with notarized signature to ensure full payback to Village. For business partnerships, Personal Guaranty will be required for each partner.
- Completed Credit Check Authorization form. The Village reserves the right to conduct a credit check or D&B report.
- An estimate of how much working capital funding is needed (up to the maximum line of credit amount).
- Pending approval, the Village will need a completed bank routing form to wire the approved funds.

Any confidential information will be redacted and is not subject to FOIA.

APPLICATION REVIEW & APPROVAL PROCESS

The following describes the Village's application review and approval process.

- Administrative review by Village Manager, Finance Director and Economic Development Director.
- Final Approval for Funds Disbursement by Village Manager and Mayor.

NON-PAYMENT RECOURSE

The following describes the Village's possible non-payment recourse actions.

- Failure to fully repay 100% of the funding extended to applicants by the deadline is grounds for the Village to initiate the following measures to recoup full reimbursement: a) reporting to credit agencies; b) pursuing the personal guarantee; c) closing the business per the Village Business License Code; and d) such other measures as the Village may deem appropriate in its sole discretion.

ASSISTANCE PROCESS

The following steps outline the Program assistance process.

STEP 1: FORMAL APPLICATION

- Download the following required forms from the Village website.
 - Application form;
 - Personal Guaranty form;
 - Credit Check Authorization form; and,
 - Pending approval, the Bank Routing form.
- Use any of the following methods to submit the application and required documents:
 - Email to jpatch@homerglenil.org
 - FAX to 708-301-8407
 - Hand deliver to Village Hall and place in secure mail box at front entrance.
 - Postal mail to Village of Homer Glen, 14240 W. 151st Street, Homer Glen, IL 60491, ATTENTION: JANIE PATCH

STEP 2: ADMINISTRATIVE REVIEW

- Administrative review by Village Manager, Finance Director and Economic Development Director.
- Final Approval for Funds Disbursement by Village Manager and Mayor.

STEP 3: RECEIVE LOAN ASSISTANCE

- Pending approval, the Applicant must provide a completed bank routing form for the Village to wire the approved funds.
- The Village will wire approved funds to the business bank account.

STEP 4: REPAY THE VILLAGE

- Full repayment must be completed within 12 months of the final line of credit amount extended but no later than March 31, 2021.
- A series of repayment installments completed by the deadline is acceptable.
- The business repays only what they withdraw, at zero percent (0%) interest.

Any questions, please call

Economic Development Director Janie Patch at 708-737-7697 (direct).

COVID-19 EMERGENCY SMALL BUSINESS ASSISTANCE

APPLICATION FORM

APPLICANT INFORMATION			
NAME:		SOCIAL SECURITY NUMBER:	
HOME ADDRESS:			
CITY:	STATE:	ZIP CODE:	
EMAIL:	PHONE (CELL PREFERRED):	FAX:	
BUSINESS LOCATION:			
BUSINESS NAME:			
BUSINESS ADDRESS:			
CITY:	STATE:	ZIP CODE:	
BUSINESS EMAIL:	PHONE (CELL PREFERRED):	FAX:	
BUSINESS PARTNER INFORMATION (IF APPLICABLE):			
NAME:		SOCIAL SECURITY NUMBER:	
HOME ADDRESS:			
CITY:	STATE:	ZIP CODE:	
EMAIL:	PHONE (CELL PREFERRED):	FAX:	
BUSINESS PARTNER INFORMATION (IF APPLICABLE):			
NAME:		SOCIAL SECURITY NUMBER:	
HOME ADDRESS:			
CITY:	STATE:	ZIP CODE:	
EMAIL:	PHONE (CELL PREFERRED):	FAX:	

Complete same information for all additional owners/shareholders on another sheet.

COVID-19 EMERGENCY SMALL BUSINESS ASSISTANCE

APPLICATION FORM

CHECK ALL THAT APPLY:

- Restaurant or other commercial space business MANDATED closed by the State
- Other Commercial Space Retailer
- Other Commercial Space Non-Retail Business

- The business is actively open and conducting business at the time of application.
- The business is for-profit.
- The business is physically located, officially licensed and operates legally in Homer Glen.
- The business is independently-owned (one business location only operating in Homer Glen).
- The business has annual gross revenues less than \$1,500,000. For businesses open less than one year, YTD gross revenues are less than an average of \$125,000 per month.

FILL IN THE REQUESTED INFORMATION:

_____ Month/Year the business opened under current ownership.

_____ Federal ID Number (FEIN), as applicable.

_____ Illinois Business Tax Number (IBT).

\$ _____ Estimate how much working capital funding is needed (up to the maximum line of credit amount).

DISCLOSURE OF BENEFICIARIES

1. Nature of Applicant (Please check one):

- Individual Trust/Trustee Corporation/Limited Liability Co.
 Partnership Land Trust/Trustee Joint Venture

2. If applicant is an entity other than described in Section 1, briefly state nature and characteristics of applicant:

3. If your answer to Section 1 is anything other than *individual*, identify by name and address each person or entity with an ownership interest of 5% or more of the Applicant or who otherwise has a proprietary interest, interest in profits and losses, or right to control such entity:

4. Name, address, and capacity of person making this disclosure on behalf of the applicant:

Note: *In the event your answer to Section 3 identifies entities other than an individual, additional disclosures are required for each entity.*

DESCRIPTION OF PROPOSAL/USE:

Verification

As the undersigned, I hereby state that I am the person making this disclosure on behalf of the applicant, that I am duly authorized to make this disclosure, that I have read the above and foregoing Disclosure of Beneficiaries, and that the statements contained therein are true in both substance and fact.

Signature _____

Subscribed and Sworn to before me this _____ day of _____, 20__

Signature & Seal of Notary Public

COVID-19 EMERGENCY SMALL BUSINESS ASSISTANCE

APPLICATION FORM

CHECKLIST: REQUIRED DOCUMENTS

➤ *The following documents must be submitted for applications to be considered complete.*

- Application form completed.
- Credit report no more than 30 days old.
- Six (6) months of sales tax returns (Form IL ST-1) and one of the following:
 - a) Most recent income tax return; or,
 - b) Audited financial statement.
- Completed Personal Guaranty form with notarized signature to ensure full payback to Village. For business partnerships, Personal Guaranty is required for each partner.
- Completed Credit Check Authorization form.
- Pending approval, the Village will need a completed bank routing form to wire the approved funds.

APPLICANT AUTHORIZATION

APPLICANT AUTHORIZATION:

As the undersigned, I hereby attest that I have full legal authorization to file this application. I certify that the information submitted herewith is true and correct.

SIGNATURE OF APPLICANT:

DATE:

PRINTED APPLICANT NAME:

PERSONAL GUARANTY

The undersigned, _____, individually ("Individual") in consideration of the COVID-19 Emergency Small Business Assistance Line of Credit Agreement ("Agreement") dated as of _____, 2020 by and between Village of Homer Glen, an Illinois municipal corporation ("Village") and _____ ("Business"), and in order to induce Village to enter the Agreement, _____ hereby agrees and covenants as follows:

1. Individual hereby unconditionally, absolutely, and irrevocably guarantees to the Village as follows:

(a) The prompt payment in full when due or declared due and all times hereafter of all amounts owing under the Agreement.

(b) The performance of all conditions and obligations of Business under the Agreement.

2. Village may seek recourse against the undersigned.

3. Individual agrees to pay any and all costs or fees of collection incurred by the Village, including, without limitation, reasonable attorneys' fees for bringing any action for collection or for enforcement of the Agreement.

4. This Guaranty shall be the primary obligation of the undersigned. The undersigned agrees that the Village may proceed under the Agreement or this Guaranty separately or collectively without prejudicing or waiving any of its rights under the Agreement or this Guaranty.

5. This Guaranty is binding on the undersigned and its personal representatives, successors, and assigns and shall inure to the benefit of the Village and its successors and assigns. This is a continuing Guaranty and notice of its acceptance is waived.

IN WITNESS WHEREOF, this Guaranty is executed as of the ____ day of _____ 2020.

By: _____

Subscribed to and sworn before me this ____ day of _____, 2020

Notary Public

VILLAGE OF HOMER GLEN
Credit Check Authorization

Full Name:

Last	First	Middle
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Home Address:

Date of Birth: _____ SSN: _____

Driver's License Number: _____ State: _____

PLEASE READ CAREFULLY:

1. I, the undersigned, hereby certify that the information contained in the accompanying application for a Village of Homer Glen COVID-19 Emergency Small Business Assistance Loan is true to the best of my knowledge and belief. I understand that any misrepresentation or false statement I make in connection with the application will result in the Village of Homer Glen not loaning the requested money.

2. I hereby acknowledge that I have been informed by the Village of Homer Glen that it may seek to obtain one or more consumer reports and/or investigative consumer report(s) that will include personal information about me, including, but not limited to, my education, work references and criminal convictions in order to assist the Village of Homer Glen in making certain decisions. I further acknowledge notification by the Village of Homer Glen that other firms subcontracted for that purpose may provide consumer reports to it. I grant my consent to the Village of Homer Glen to obtain the above consumer report and investigative consumer report.

3. I, my heirs, assigns and legal representatives, hereby release and fully discharge the Village of Homer Glen, its elected officials, officers, employees, agents, subcontractors, and each of them from any and all claims, monetary or otherwise, that I may have against the Village of Homer Glen arising out of making or use of either the consumer report or an investigative consumer report.

4. I hereby understand if the Village extends a loan based upon any false or misrepresented information, the Village shall be entitled to immediately recover the entire amount of the loan and any costs and attorney fees associated with collecting the loan balance.

Signature: _____ Date: _____

**Loan Agreement for the
Homer Glen COVID-19 Emergency
Small Business Assistance Loan Program**

This Loan Agreement (“Agreement”) is entered into this ____ day of _____, 2020 by and between _____ (“Borrower”) and the Village of Homer Glen, an Illinois municipal corporation (“Village”).

WHEREAS, Village has established the COVID-19 Emergency Small Business Assistance Loan Program (“Program”) to assist small businesses with working capital during the COVID-19 outbreak and subsequent reduction of small business operations in the Village of Homer Glen; and

WHEREAS, Borrower is a qualifying Small Business Enterprise pursuant to the terms of the Program and is located within the corporate limits of the Village of Homer Glen; and

WHEREAS, Borrower desires to participate in the Program to obtain up to a \$10,000 line of credit from the Village to meet working capital needs of the business at zero percent (0%) interest.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and contained and for other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged by each of the parties hereto, it is hereby mutually agreed that:

1. BORROWER’S PROMISE TO PAY PRINCIPAL AND INTEREST. Borrower promises to re-pay to the order of the Village the principal sum of _____ Dollars (\$_____), plus interest at the rate of (0%) percent per annum. Payments of principal and interest due under this Agreement, if not sooner declared to be due in accordance with the provisions hereof, shall be made as follows:

(a) The entire principal balance of this Agreement, if not sooner declared to be due in accordance with the terms hereof, together with all accrued and unpaid interest, shall be due and payable in full on the earlier of (i) twelve (12) months following the final line of credit amount extended by the Village; or (ii) March 31, 2021 (“Maturity Date”); and

2. DEFAULT BY BORROWER.

2.1 Events of Default. The occurrence of any of the following shall constitute an event of default (“Event of Default”): a) any failure by Borrower to pay any amount due hereunder within five (5) days after due; (b) the failure of Borrower generally to pay debts as they mature, or if a receiver or custodian is appointed or takes possession of the property of the Borrower; (c) any voluntary or involuntary bankruptcy or insolvency proceedings are commenced by or against Borrower and are not dismissed within 60 days; or (d) any writ of attachment, garnishment, execution, tax lien, or similar writ is issued against any property of Borrower and is not bonded, released or dismissed within ten (10) days. Upon the occurrence of an Event of Default, if such Default is not cured by Borrower within five (5) days after Borrower’s receipt of written notice from Village of such Event of Default, the entire principal of this Agreement remaining at the time

unmatured shall, at the election of the holder of this Agreement and without notice of such election, become immediately due and payable.

2.2 No Waiver for Partial Payment. Acceptance by Village of any payment in the amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default. Upon any default, neither the failure of the Village promptly to exercise its right to declare an Event of Default, nor the failure of the Village to demand strict performance of any other obligation of the Borrower or any other person who may be liable hereunder, shall constitute a waiver of any such rights, nor a waiver of such rights in connection with any future default on the part of the Borrower or any other person who may be liable hereunder.

2.3 Express Release Required. No extension of time for payment of any amount payable under this Agreement, or any alteration, amendment or waiver of any provision of this Agreement shall release, modify or affect the liability of the Borrower or any guarantor of this Agreement, unless expressly set forth in such amendment or modification.

3. PREPAYMENT PRIVILEGE. The principal amount due on this Agreement may be prepaid in whole or in part at any time. No partial prepayment shall affect the obligation of the Borrower to continue payment provided in this Agreement. Borrower expressly assumes all risks of loss or delay in the delivery of any payments made by mail, and no course of conduct or dealing shall affect Borrower's assumption of these risks.

4. AGREEMENT PAYABLE IN U.S. DOLLARS. Principal, interest, and charges are payable in lawful money of the United States.

5. SECURITY INTEREST. This Agreement shall be unsecured.

6. ENTIRE AGREEMENT. This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof.

7. COST OF COLLECTION. The undersigned together with all sureties, endorsers, and guarantors of this Agreement jointly and severally promise to pay (a) all costs and expenses of collection, including without limitation attorneys' fees, in the event this Agreement or any portion of this Agreement is placed in the hands of attorneys for collection and such collection is effected without suit; (b) attorneys' fees, as determined by the judge of the court, and all other costs, expenses, and fees incurred by the holder in the event suit is instituted to collect this Agreement or any portion of this Agreement; and (c) all costs and expenses, including, without limitation, attorneys' fees incurred by the holder in connection with any bankruptcy, insolvency or reorganization proceeding, or receivership in which the undersigned is involved, including, without limitation, attorneys' fees incurred in making any appearances in any such proceeding or in seeking relief from any stay or injunction issued in or arising out of any such proceeding. During any period in which an uncured "Event of Default" exists under this Agreement, Borrower shall pay interest on the balance of principal remaining unpaid during any such period at an annual rate equal to twelve percent (12%) ("Default Rate"). The interest accruing under this paragraph shall

be immediately due and payable by Borrower to the holder or holders of this Agreement and shall be additional indebtedness evidenced by this Agreement.

8. AUTHORITY. The undersigned represents that it has full power, authority and legal right to execute and deliver this Agreement, and that the obligation evidenced by this Agreement constitutes a valid and binding obligation of Borrower, in accordance with its terms.

9. TIME IS OF THE ESSENCE. Time is of the essence with respect the Borrower's obligations under this Agreement.

10. APPLICABLE LAW. This Agreement shall be construed and governed in accordance with the laws of the State of Illinois. Venue shall be Will County, Illinois. This Agreement and the obligations of the Borrower hereunder shall be binding on Borrower and its successors and assigns, and shall inure to the benefit of Village and its successors and assigns.

signature page follows

IN WITNESS WHEREOF, the undersigned authorized representative of the parties executes this Agreement on the day and year first above written.

BORROWER:

By: _____

I, _____, a Notary Public in and for said county and state, do hereby certify that the signatories above are personally known to me to be the same person(s) whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2020

Notary Public

VILLAGE:

Village of Homer Glen

By: _____
President

ATTEST:

Village Clerk

I, _____, a Notary Public in and for said county and state, do hereby certify that the signatories above are personally known to me to be the same person(s) whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2020

Notary Public



Village of
**HOMER
GLEN**

Community and Nature . . . in Harmony

14240 W. 151st Street
Homer Glen, Illinois 60491

Phone (708) 301-0632
Fax (708) 301-8407

Direct Deposit

Applicant's (Business) Name: _____

Bank Name: _____

ABA Routing Number (9 digits): _____

Account Number: _____

Account Type:

Checking Account

Savings Account

Attach voided check to bottom of form.