



MI Small Business Relief Program (MSBRP) – Loans

Lansing Tri-County Region: Ingham, Eaton & Clinton Counties

Frequently Asked Questions (FAQ)

1. *How did this new business loan program come to be?*

The Michigan Small Business Relief Program was designed by Governor Whitmer’s office and the Michigan Economic Development Corporation (MEDC), and approved by the Michigan Strategic Fund Board on 3/19/2020 to allocate \$20 million in MEDC funds for grants and loans to small and mid-sized businesses negatively affected by the COVID-19 pandemic.

2. *What area is the Lansing Economic Area Partnership (LEAP) administering the loan application to in Michigan?*

The Lansing tri-county region of Ingham, Eaton and Clinton counties, including all cities, villages and townships contained therein.

3. *What amount of loan funding out of the \$10 million statewide is available to businesses in the Lansing tri-county region?*

Estimated approximately \$600,000

4. *What loan amount is available for eligible companies?*

Loan requests must be a minimum of \$50,000 and up to \$200,000.

5. *What can the loan be used for?*

Loans are to be used exclusively for immediate / near-term working capital expenditures.

Examples include:

support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business

6. What are the key determinants of eligibility?

Michigan business with fewer than 100 employees, company-wide, full- and part-time

Business can demonstrate income loss as a result of Executive Orders (EO) / COVID-19 pandemic

Business needs working capital to support payroll expenses, rent, mortgage payments, utility expenses or other similar expenses that occur during ordinary course of business

Business must demonstrate it is unable to access credit at similar terms through alternative sources

Business' annual revenue in 2019 was \$1,500,000 or less, company-wide

Business is not a franchise nor affiliated with a national chain

Business was founded and is headquartered in the Lansing tri-county region

Business' majority ownership lives in Lansing tri-county region

7. Do I have to live in the region for my small business to receive a loan?

With limited funding for only a handful of loans, only small businesses that have at least 50% of ownership presently living within the Lansing tri-county region are eligible. The owner(s) do not have to reside in the same municipality or county as their small business, though still need to reside within the region in an effort to further identify businesses that are integral to the unique fabric of the community.

8. What does it mean to demonstrate inability to access similar credit through alternative sources?

Provide a narrative that details unsuccessful efforts made in exploring additional sources of financing as a result of the COVID-19 pandemic and related executive orders. Examples include traditional bank financing, Small Business Administration loans and parent-company or owner support.

9. Are sole proprietors or home-based businesses eligible?

Yes, sole proprietors and home-based businesses are eligible, adhering to the same eligibility determination requirements noted in the application and Business Eligibility, Application Scoring Criteria & Review Process overview at <http://www.purelansing.com/businessrelief>. Both will be scored on the same criteria as every other applicant.

10. Are nonprofits eligible businesses?

No, nonprofits are not eligible for the Lansing region.

11. Is a shopping district considered a high-impact area?

Yes, a shopping district is considered a high-impact area and most likely aligns close with “key commercial corridors” or “downtown district,”

12. If my business has multiple locations, do I need to submit a separate application for each?

Yes, every business location requires its own application. The applicant must use company-wide metrics during the process (i.e. total number of employees, financial data, etc.) for eligibility determination and review purposes.

The applicant must specify in the application when prompted which brick and mortar business location the requested loan will be exclusively deployed at.

13. Is my franchise-owned business eligible?

No, franchise operations are not eligible. With limited funding for only 4 to 20 loan recommendations, unique small businesses that contribute to the distinctive fabric and identity of the community are prioritized.

14. Will I need to submit financial documents as part of the original application?

No, LEAP is not requesting financial documents as part of the original application. However, the following financial documents will be required if the application is advanced to the final stage review prior to recommendation to the MEDC:

Tax return
Personal financial statement
Credit report

15. Will there be a defined application period?

Yes, the loan application for this program to be open Wednesday, April 1 through 11:59PM on Tuesday, April 7.

16. Where would an interested small business owner go to apply?

The application will be available in web form at <http://www.purelansing.com/businessrelief>. If a business owner is unable to complete the web-based application form for any reason, they are encouraged to contact their local business support organizations for assistance.

17. Can a business who received a Michigan Small Business Relief Grant also apply for a loan?

No, a business can only receive one grant or loan. If a business that was awarded a grant would like to apply for a loan instead, the awarded business must notify LEAP immediately to withdraw its grant application. Awarded businesses will receive a memo with this information prior to the loan application closing.

18. Where do I find my local support organization?

A resource map highlighting the local business support organizations and relevant contact info is provided at <http://www.purelansing.com/businessrelief>.

19. How extensive will the application be?

The purpose of this loan program is to quickly provide financial relief to businesses affected by the COVID-19 outbreak and related EOs here in Michigan. Thus, we are designing the application not to be burdensome, with the large majority of requested information expected to be readily known or accessible to most business owners.

20. Who can I talk to at LEAP about my application?

In order to ensure fairness in consideration, LEAP, SBDC, CAMW! staff and key stakeholders involved in administering and reviewing applications for this program will not be interacting with individual businesses on application questions. Applicants are encouraged to review the FAQ documents provided by MEDC and LEAP in full and consult with their local business support organizations to help them build the strongest possible applications.

21. When will applications be due?

Applications will be due by 11:59PM on Tuesday, April 7.

22. How will any conflicts of interest be addressed in the consideration of loan applicants?

The review committee will acknowledge all actual or perceived conflicts of interest, personal and professional, and will not be scoring any business for which a conflict could exist.

23. LEAP has contracts in place with the City of Lansing and with Ingham County – how are you removing favoritism and selection bias from the loan application selection process?

Any LEAP staff representing specific-geography government clients will not be scoring any business located within the geography of that government client.

24. *When will successful applicant businesses be notified and what is expected from them in order to receive the loan request?*

We intend to inform approved applicant businesses on or around Wednesday, April 15, following review of required financial documentation, that their application has been recommended to the MEDC Loan Committee for further review and final decision. If approved, the following steps will occur:

- MEDC will provide approved business with contract
- Approved business submits milestone / disbursement request
- MEDC Compliance reviews and approves disbursements
- MEDC Compliance gathers necessary reports during life of the loan

25. *When will the loans received by successful applicant businesses?*

The MEDC Loan Review process is anticipated to be efficient. LEAP will update information about the timeline upon further communication from the MEDC.

UPDATE: MEDC Loan Committee is anticipated to review applications in one week.