

COVID-19 Small Business Relief Loan Program

VyStar Credit Union & City of Jacksonville

PROGRAM SUMMARY

In partnership with the City of Jacksonville, VyStar Credit Union is creating a COVID-19 RESPONSE Business Community Relief Loan program to provide critical aid to local businesses. The initiative will provide low-cost loans with less stringent underwriting requirements and flexible repayment terms to Duval County small businesses in need.

VyStar Credit Union will provide underwriting, processing, and servicing of the loans as well as be responsible for all credit losses due to default. The City of Jacksonville will provide certain grants and reimbursements of interest and/or principal balances when participating businesses provide evidence of meeting criteria outlined by the City of Jacksonville, including, but not limited to, retention and/or re-hiring of workforce. The City-provided benefits are eligible for loans made in the first six months of the program, with an optional six-month extension.

VYSTAR LOAN INFORMATION

The relief loan is structured to provide small businesses with flexible funds they need, when they need them.

LOAN HIGHLIGHTS

- No minimum loan amount; maximum loan amount of \$100,000.
- Fixed interest rate of 5.99%.
- \$250 underwriting fee waived for small businesses for each loan (credited by VyStar for loans under \$5,000 and paid for by City of Jacksonville for loans above \$5,000).
- Quick loan approval and funding (3-5 days)

FLEXIBLE REPAYMENT OPTIONS

- Six (6) month draw period allows businesses to use only what they need as they need it – they do not need to advance (or pay interest on) the entire amount approved at once; rather, they may advance and repay funds over the six (6) month draw period to cover expenses as they arise.
- Interest-only payments for the first year ensure repayment costs remain low as the small business works through the pandemic response and rebuilding periods. Principal and interest (P&I) payments begin in year 2 at an amount sufficient to repay the loan in 60 months.

SMALL BUSINESS INFORMATION

- Business must have at least one (1) year in operations (three (3) year requirement waived) and provide most recent year's filed tax returns for business and all owners.
- Business must have between 2 and 100 employees in addition to business owners.
- While personal guarantee is required from all business owners, minimum personal credit score of 720 is waived for this program.
- Must not be a business type excluded by the State of Florida's Florida Small Business Emergency Bridge Loan Program or by VyStar's standard lending criteria
 - Nonprofits are eligible to participate

CITY OF JACKSONVILLE ENHANCEMENTS

- City will grant \$1,000 to each business awarded a loan for a maximum city indebtedness of \$3 million (these grants will be provided to up to the first 3,000 loan recipients)
- City will provide a grant to pay interest costs in Year 1 for all businesses
- City will provide a grant to pay interest costs in Years 2-6 if the business maintains employment of at least 50% of its pre- COVID-19 workforce (using Feb. 29 as base employment date)
- City will provide a grant to pay 10% of the outstanding loan balance each year if the business employs at least 100% of its pre- COVID-19 workforce
- To receive the grant payments, each business must submit sufficient documentation of employment on a form prescribed by the City
- City will cover VyStar's \$250 underwriting fee per loan on all loans \$5,000 or greater to underwrite and administer the loans