



# MISSOURI SMALL BUSINESS DISASTER RELIEF LOAN PROGRAM

## MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

### **PURPOSE**

To provide financial assistance and access to capital to businesses impacted by a natural disaster. This may include businesses sustaining direct property damage or local businesses sustaining interruptions to their operations and services because of temporary customer loss, temporary interference with access, or other impacts.

### **LOAN PROGRAM PARAMETERS**

1. The Disaster Relief loan program, part of the MO Small Business Loan Program, intends to provide financial assistance and access to capital to businesses impacted by a natural disaster. This may include businesses sustaining direct property damage or local businesses sustaining interruptions to their operation and services because of temporary customer loss, temporary interference with access or other impacts;
2. The interest rate is 3 percent with a 2-year deferral period or 1 percent interest rate for the 10-year term of the loan (borrower's option);
3. The terms are typically 10 years or less but may be adjusted for adequate debt coverage. Loan repayment is quarterly principal and interest payments;
4. Payments may be auto debited from a checking or savings account;
5. The minimum loan amount is \$2,500 and the maximum loan amount is \$50,000;
6. The number of loans per household will be limited to 1;
7. The company must be 100 percent Missouri owned and 100 percent Missouri located;
8. The company must be registered with the Secretary of State in good standing;
9. The company may not be a gambling entity, a check cashing service (unless associated with a bank), a pawn broker service, resale of donated or used goods, liquidation sales, day labor services, job training services, sale or distribution of alcohol or tobacco products, web-based or print newspapers or magazines, speculative real estate, radio or television stations. The owner may not be employed by the State of Missouri;
10. Loan proceeds may be used for working capital, inventory, equipment purchase, real property improvements (owned by borrower) but cannot be used for refinancing of existing debt or outstanding debt payments (see funding guidelines below);
11. Loan proceeds must begin to be drawn within 60 days of the loan approval date and all loan proceeds drawn within 1 year of the approval date [unless authorized additional time by the Missouri Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB)]. Failure to draw funds within this time line will result in requiring the resubmission of an amended application and an additional credit review. This loan is not a line of credit;
12. Loan origination, collateralization, and loan servicing may be provided by an entity contracted by the MDFB;
13. Determination of loan delinquency and default is made by the MDFB. Late payment fees may be assessed;
14. The company must provide a certificate of insurance naming MDFB as an additional insured on their business insurance each time a policy is renewed;
15. Loan collections will be referred to the Financial Services Division of the Missouri Attorney General's Office.

## **LOAN FUNDING GUIDELINES:**

1. Acceptable working capital expenses include the below expenses:

- General Liability Insurance, Property Insurance, and Workers Compensation;\*
- Health Insurance;\*
- Leases/Rent (a copy of the lease is required);\*
- Payroll (no owner salaries);\*
- Contractors (need contract and billing for services);
- Telephone, Internet, utilities; \*
- Supplies. \*

\* Expenses incurred within three (3) months prior to approval of the application qualify with acceptable documentation evidencing incurrence or payment of these expenses.

2. Acceptable equipment expenses include:

- Paid for equipment (may be reimbursed if purchased within the previous 3-month period);
- Unpaid for equipment (a bid/quote or invoice is required to be reimbursable and a check will be made to vendor and loan applicant).

**The Missouri Small Business Disaster Relief Loan application can be found online at:**  
<https://ded.mo.gov/programs/business/small-business-disaster-loan-program>

## **CONTACT**

Missouri Department of Economic Development

### **Small Business Loan Program**

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