



City of Union Emergency Relief Loan

The City of Union Emergency Relief Loan (UERL) was established by the City of Union Council and Mayor in response to the COVID-19 pandemic. During their April 27, 2020 special meeting, the Union City Council unanimously approved to make available \$40,000 for Union Businesses that have been affected financially by the COVID-19 pandemic. It was further discussed to allow the Mayor, Council President and City Administrator work up a plan to distribute the funds to our local businesses through a forgivable loan program. The awards were directed to be of no more than \$3,000 per business per round. If after the first call for applications and awards that money remains, a business can again apply in a new round of funding. Receipt of a loan by an applicant in the first round of awards does not guarantee award of a loan in any subsequent round. Loans awarded under this program are the personal obligation of the borrower and co-borrower (if applicable), who must sign a promissory note for the obligation. Loans are available for only one (1) business per location.

The EURL is intended to help businesses remain solvent and fill cash flow gaps due to the recent economical hit our small community has experienced. This program is **not** for supplementing Owner's personal income. It is also not intended for those businesses that have had relatively low impact by the current crisis.

The forgivable loan will be awarded at the very low interest rate of 1% on a 24-month term. Interest does begin accumulating at the time of the award. No payment will be required for the first 6 months, with payments calculated to pay off the loan the following 18 months. Sample calculation as follows:

Borrow \$3,000 at 1% interest for 24 months. Monthly payments after deferring the first 6 months of payments and interest would be 18 monthly payments of \$168.

To qualify for loan forgiveness, the following criteria must be met after receipt of the loan and consistently throughout the six-month time period prior to the first loan payment becoming due the CITY:

1. Business must be providing services to the public as it did pre-COVID-19 (same hours, same level of service), given COVID-19 restrictions are lifted.
2. Receipts/proof for what the loan was expended to sustain business.
3. If no business plan exists for the business, one must be created within 90 days of loan receipt.

To apply for the UERL the following must be submitted for consideration:

1. Completed UERL application.
2. Current business plan if you have one.
3. 2019 IRS tax return or 2019 Profit Loss Statement.
4. January and February 2020 Profit Loss Statement.
5. Detailed description of how you will apply the funds to your business.

City of Union, Oregon



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Home to the Buffalo Peak Golf Course

The first round of applications will be due on May 17, 2020 and with award notification to be given May 22, 2020.

The CITY reserves the right to limit the total amount awarded to less than \$40,000 if, in its judgment, there are insufficient qualified applicants.

Further questions can be directed to City Administrator Doug Wiggins by email (dougwiggins@cityofunion.com), or by calling 541-562-5197.