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Los Angeles City Small Business Emergency Microloan Program



Los Angeles City Small Business Resilience Toolkit (*pdf format*)

(<https://bit.ly/LABusinessToolkit>) **updated as of 6:00pm (PDT) on**

3/26/2020

In light of the sweeping impact the COVID-19 pandemic is having on our small business community, the City of Los Angeles has responded swiftly and decisively to support our local, community businesses. The newly established Small Business Emergency Microloan Program now provides financing needed to strengthen small business enterprises in this time of acute need that have been affected by the COVID-19 outbreak.

Businesses that meet the criteria below may apply online for a City of LA Small Business Emergency Microloan (click this link) (<http://bit.ly/EWDDC-19BusinessLoan>).

To apply, register through our secure log-in system. Please read through the information below prior to submitting an application. Contact information is available at the bottom of this page if you need further assistance.

Microloan Terms

Loan Limits

\$5,000 to \$20,000

Interest Rates

- Option 1: 0% for a term of up to 18 months,
with repayment deferred for up to 6 months
- Option 2: 3% for a term of up to 5 years,
with repayment deferred for up to 12 months (for profit businesses)
- Option 3: 2% for a term of up to 5 years,
with repayment deferred for up to 12 months (for tax-exempt businesses)

Prepayment Penalty

None

Term

18 months to 5 years

Loan Fee

No fee

Admin Fee

No fee

Application Fee

No fee

Eligible Uses

Working capital only

Loan-to-Value Ratio

100%

Eligible Borrowers

For-profit and tax-exempt businesses in the City of LA with 100 or fewer employees that have been negatively impacted by the COVID-19 outbreak and will make their best effort to continue or re-establish their business operations and employees

Borrower Eligibility

Certification

Business must have a Business Tax Registration Certificate with the City of Los Angeles' Office of Finance that was filed prior to March 01, 2020

Credit

There is no credit minimum, however the principal business owner(s) must have reasonable and responsible personal credit history and an acceptable explanation for any derogatory marks

Bankruptcies and debt write-offs must be at least 12 months old

Cash Flow

Businesses must show that historical profits would have been sufficient to service the requested debt and that they have been impacted by the COVID-19 outbreak

Location

Primary business operation must be physically located in a commercial-use building within City of Los Angeles boundaries

(please use this City of LA online zoning tool to determine business location) (<http://zimas.lacity.org/>).

Collateral

Evaluated on a case-by-case basis

Required Guarantors

All business owners who hold 20% or more ownership must guarantee the loan

Co-Signer

A co-signer with reasonable credit and sufficient income to repay the loan can be included as a guarantor to mitigate weaknesses in the loan request

Required Documentation


- Complete Loan Application
- Business Tax Returns *(1 year, if available)*
- Interim Business Financial Statement
- Personal Financial Statement
- Personal Tax Returns *(1 year)*
- Bank Statements *(3 months)*
- Itemized Budget for Funds Requested

For more information, email the EWDD Emergency Microloan Management Team at [**EmergencyLoans@lacity.org**](mailto:EmergencyLoans@lacity.org) ([**mailto:emergencyloans@lacity.org**](mailto:emergencyloans@lacity.org)) or call 213-744-7130.

EWDD is currently experiencing a high volume of applications, calls and emails. Please be assured that we understand your concern and will respond as quickly as possible.

CONTACT

1200 West 7th Street, Los Angeles CA 90017

 213-744-7300

 711 for Telecommunication Relay Services (TRS)

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QUICKLINKS

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