

APPLICATION QUESTIONS

Q: My business is suffering right now because of COVID-19. Do you have a loan option for me?

A: Yes, we have a **Rapid Recovery loan** for businesses that have experienced revenue losses due to the virus. This low-interest loan is for up to \$50,000. It's interest-free and payment-free for the first six months. If you have not paid it off before the seventh month, interest begins to accrue and you start making payments on the balance. Please visit www.ncrapidrecovery.org for more details. Click on the blue "Apply Now" button when you're ready to apply. **Applications are considered on a first-come, first-served basis.**

Q: Is this associated with the SBA?

A: No. Our Rapid Recovery loan product is supported by North Carolina entities and is for North Carolina businesses.

Q: How does this relate to SBA loan options?

A: The two loan products are NOT connected. You are not required to apply for an SBA loan to qualify for a COVID-19 Rapid Recovery loan. The COVID-19 Rapid Recovery loan is designed to fill lending gaps, including while businesses are waiting on SBA loans. **(Note: the NC COVID-19 Rapid Recovery loan is not a forgivable loan.)**

Q: Can I get both an SBA Loan and a Rapid Recovery Loan?

A: You are welcome to apply for both an NC Rapid Recovery Loan and SBA Payroll Protection Program (PPP) financing. You do not need to choose one or the other. PPP loans are designed to be used primarily to retain employees. It is our hope that the NC Rapid Recovery loan will help save your business and your employees. The two can function side-by-side if you choose to pursue both options. However, if you receive an SBA Economic Injury Disaster Loan (EIDL) for your full eligible amount (not just the initial \$10,000) then we will ask you to use a portion of those proceeds to pay off your NC Rapid Recovery Loan.

Q: What are the loan terms?

A: The loans are six months interest-free and payment-free. At the end of the six-month period, the loans will be termed out for 48 months at 5.5 percent interest.

Q: I have multiple businesses, do I need one application for all of them?

A: One application per business. Total financing of up to \$250,000 will be available for any one individual. So, if you have five businesses that file separate tax returns you are eligible for up to \$50,000 for each of those five businesses.

Q. Can a nonprofit qualify for this loan?

A: Only for-profit businesses qualify for this loan. If your nonprofit has a for-profit affiliate, only the for-profit business can be considered for the loan. The SBA does offer financing for nonprofit organizations.

Q: Can this loan be used to refinance debt?

A: Generally, no. If you've just recently taken on debt to maintain the business during this time, refinancing that debt will be evaluated on a case-by-case basis. For example, if you've put expenses on a credit card during the crisis we can consider paying off the debt with the NC COVID-19 Rapid Recovery loan. General business debt consolidation is not covered with this loan, however.

Q: I already have a loan with one of the NC Rapid Recovery lending partners. Can I apply for a COVID-19 loan?

A: Yes. The NC COVID-19 Rapid Recovery loan is open to everyone. The loan can be used for working capital and to maintain your existing business. Example of uses include, but are not limited to: paying vendors, buying inventory, paying bills, utilities, and rent.

DOCUMENTATION QUESTIONS

Q: What documentation will I need?

A: We are asking clients for the following documents:

- Copy of photo identification
- 2019 personal tax return
If not available, 2018 personal tax return
- 2019 business tax return
If not available, 2018 business tax return and 2019 profit and loss statement
- The business's three most recent bank statements
- Proof of business ownership: Copy of official business filing/registration (sole proprietorship, LLC, or corporation, etc.)

Q. I started my business in 2019, I do not have 2018 tax returns. What documents should I submit?

A. For startups, we can accept the 2019 profit and loss statement and business bank statements for the months the business operated in 2019 and 2020.

Q. I do not have profit and loss statements. What documents should I submit?

A. In addition to the three most recent 2020 business bank statements, we will need all of the available bank statements from 2019.

OTHER QUESTIONS

Q. My spouse and I co-own a business and they plan to sign on the loan with me. Do they need to fill out a co-application?

A. Yes. Each applicant has to submit a separate application in order for us to pull credit and understand all sources of income in the household.

Q: How long will it take to process my application & receive funding?

A: We are experiencing a high volume of applications, and we are working as fast as we can to process NC COVID-19 Rapid Recovery loan applications. Applications are being processed on a first-come first-serve basis. We're asking for minimal documentation and a short application, which should make the process more efficient. We will be in touch as soon as we are able. We ask for your patience and understanding during this time.

Q. Does this application have a hard credit check?

A. Yes, a hard credit pull is required on anyone with more than 20 percent ownership in the business.

Q. I'd like a loan larger than \$50,000. What are my options?

A. Please visit sba.gov or check with your current bank about SBA options. SBA loans have size caps well above \$50,000.

Q. I am waiting on a phone call, how should I proceed?

A. We understand this is a stressful time. We're doing our best to process applications for the NC COVID-19 Rapid Recovery Loan in a timely manner. We are taking applications on a first-come, first-serve basis. Rest assured we will be in touch with you as soon as your application is next in line.

Q. Can I edit my application once it is submitted?

A. Yes. You created an account to submit an application. Please log in with the same username and password you created and make changes. You can also notify us of the needed changes when we contact you.

Q. I've purchased my building, but have not launched my company yet, can I apply for this loan?

A. If you have not yet begun to generate revenue your loan will require additional underwriting steps, including evidence that your personal income is sufficient to manage additional COVID-19 debt payments.