

## WHAT IS THE NC COVID-19 RAPID RECOVERY LOAN PROGRAM?

- The NC COVID-19 Rapid Recovery Loan program supports North Carolina small businesses and family farms as they grapple with, and recover from, the economic impact of COVID-19.
- The Rapid Recovery Loan program is a statewide partnership of nonprofit organizations, led and managed by the NC Rural Center, started by initial funding support from the Golden LEAF Foundation, and operationally supported by a host of nonprofit lending partners.
- These lending partners include the NC Rural Center's lending subsidiary, **Thread Capital**, and the following organizations:

### **BUSINESS EXPANSION FUNDING CORPORATION (BEFCOR) >**

- BEFCOR has been a nonprofit economic development lender in North Carolina since 1982. By providing loans to small businesses, BEFCOR helps emerging and expanding companies grow and create jobs. Originally founded by the city of Charlotte, BEFCOR is now statewide in North Carolina.

### **CAROLINA COMMUNITY IMPACT >**

- Carolina Community Impact helps individuals, particularly those who have frequently been excluded from traditional financial services markets, build their financial health. Through financial education and loans, CCI provides access to credit and asset building techniques for individuals and small.

### **CAROLINA SMALL BUSINESS DEVELOPMENT FUND >**

- Carolina Small Business Development Fund is a nonprofit and certified community development financial institution (CDFI) that fosters economic development in under-served communities by providing capital, business services, and policy research to support small businesses.

### **MOUNTAIN BIZWORKS >**

- Mountain BizWorks builds a vibrant and inclusive entrepreneurial community in Western North Carolina by helping small businesses start, grow, and thrive. Mountain Bizworks is a U.S. Treasury certified nonprofit CDFI.

## PARTNER ORGANIZATIONS



## **NATURAL CAPITAL INVESTMENT FUND >**

- Natural Capital Investment Fund is a small business loan fund that supports entrepreneurs who are creating jobs and businesses in underserved communities in central Appalachia and the Southeast. By providing flexible capital and advisory services to small businesses, agricultural enterprises, and community organization, NCIF catalyzes environmentally and socially responsible business development and wealth creation in rural, minority, and low-wealth communities.

## **PIEDMONT BUSINESS CAPITAL >**

- Piedmont Business Capital creates shared economic prosperity through equitable lending and investment. Through flexible financial products and sound advice, PBC creates opportunities to make socially responsible investments that revitalize communities in the Piedmont area of North Carolina.

## **SEQUOYAH FUND >**

- The Sequoyah Fund, Inc. is a CDFI and provides capital for small businesses in Cherokee and Western North Carolina. The Sequoyah Fund serves the Eastern Band of Cherokee Indians on the Qualla boundary and throughout the seven westernmost counties of North Carolina.
- Other public, private, and nonprofit entities have contributed essential capital to this partnership, including Wells Fargo, NC IDEA, Appalachian Regional Commission, the Anonymous Trust, and the Dogwood Health Trust.

## **HOW DOES THE PARTNERSHIP WORK?**

- The Rural Center and its partners launched this program with an initial \$15 million in funding from the Golden LEAF Foundation in response to economic losses related to Coronavirus (COVID-19).
- Golden LEAF's mission is to increase economic opportunity in North Carolina's rural, economically-distressed, and tobacco-dependent communities through leadership in grantmaking, collaboration, innovation, and stewardship as an independent and perpetual foundation. Following Hurricanes Matthew, Florence, and Dorian, Golden LEAF provided funding for small business bridge loan programs as well as managed state-funded disaster recovery programs.
- The NC Rural Center has more than 30 years of experience in supporting North Carolina's small-business owners. The Rural Center has an existing and demonstrated small-business lending infrastructure that has been expanded to match the scale of the ongoing challenges brought on by COVID-19.
- Loan applications will be directed to the Rural Center, and distributed to the above nonprofit lending partners for underwriting and servicing. The Rural Center manages the flow of applications, provides guidance and assistance to nonprofit lending partners, oversees loan underwriting consistency and compliance across lending partners, manages the distribution of loan funds to processed applications, and works to expand the lending capacity and resources available to the NC COVID-19 Rapid Recovery Loan Program.

## WHERE DOES THE FUNDING COME FROM?

- Funding for the NC COVID-19 Rapid Recovery Loan Program started with the \$15 million launch from the Golden LEAF Foundation, and capacity has been expanded through the support of Golden LEAF and other private and philanthropic partners. Further expansions to funding capacity may be made as time goes on by additional philanthropic support and/or state appropriations approved by the North Carolina General Assembly.
- When the Rapid Recovery Loan Program launched in late March, applications were quickly submitted in excess of the initial \$15 million funding. A message was posted on the NC Rapid Recovery website notifying potential applicants that the program was actively seeking out additional capital, and that applications would be processed on a first come, first served basis as additional capital became available.
- The high volume of applications the program has received is indicative of the scale of the economic impact COVID-19 has had on North Carolina's small-business sector. We are actively looking to expand the program's capacity to meet this rapidly growing need. We encourage applicants to also apply for federal assistance programs if eligible.

## HOW DOES THE NC COVID-19 RAPID RECOVERY LOAN PROGRAM WORK?

- Small-business owners can apply for a loan at [ncrapidrecovery.org](https://ncrapidrecovery.org). After the application is completed, the NC Rural Center connects applicants with one of the many statewide lenders. Applications are reviewed on a first come, first served basis.
- This rapid recovery loan helps small businesses bridge the gap between when crisis strikes and when federal loans and other relief funds are approved, or when businesses have time to recover.
- The NC COVID-19 Rapid Recovery Loan Program is not a grant program. The loans are also not designed to be a singular source of assistance for small businesses. Repayment is expected either from more permanent funding sources or from the future cash flow of the business.
- Businesses that have experienced revenue losses due to COVID-19 are eligible for the loan. Rapid Recovery loans are low-interest and are available for up to \$250,000, and the low-interest loans are payment-free for the first 18 months, but interest will accrue at the federal funds rate during the initial 18 month term. If not paid off before the 19th month, payments begin at 5.5 percent interest for an up to 8.5 year (or 102 month) term.
- Our Rapid Recovery loan product is managed by North Carolina entities and is for North Carolina businesses. It is designed to complement federal and other assistance programs, but it is not directly associated with the Small Business Administration (SBA).