

Administrative Guidelines for Emergency Loan Assistance

City of Algona Revolving Loan Fund

Algona City Council Resolution No. 20-86 authorizes the Retail RLF Committee to develop guidelines for and to make loans in response to emergencies and disasters. The Administrative Guidelines for the Emergency Loan Assistance Program are as follows:

PROGRAM POLICIES

1. The goal of this program is to support business retention by providing low-interest loans to businesses negatively impacted by an emergency or disaster event outside of their control.
2. The program is available to businesses located in Algona of all industry types, including but not limited to service, retail, healthcare, and manufacturing. Priority will be given to locally owned businesses.
3. Applicants are to complete and submit the “Emergency Loan Assistance Application” form and provide the requested attachments. The application is available on the city’s website under “Economic Development”.
4. Applicants should first pursue financing options with their bank and any federal or state programs which are available to assist in response to emergency or disaster events.
5. Emergency loan funds may be used for business activities deemed appropriate by the RLF Committee. This includes, but not limited to, temporary financing, mortgage and utility payments, payroll, or other necessary ongoing business expenses.
6. Loans will be collateralized with a general security agreement.
7. The loan amount, term, and conditions will be determined by considering the business’ actual economic injury, financial needs, likely ability to repay the loan, pre-emergency/disaster business performance, performance projections, scope of the emergency’s impact, and availability of program funds.
8. Businesses with a city Retail RLF loan may also apply for this program.

WHAT CONSTITUTES AN EMERGENCY?

Loans related to the negative impacts of the COVID-19 pandemic are eligible under this program. Other criteria which may make a business eligible are:

1. Emergency or disaster declaration by the President
2. Emergency or disaster declaration by the Governor
3. Emergency proclamation by the Mayor
4. The Retail RLF Committee and Mayor concur that circumstances exist constituting an emergency

EMERGENCY AUTHORITIES OF THE RLF COMMITTEE

1. In the event of an emergency or disaster, the Retail RLF Committee is authorized to:
 - a. Develop and approve administrative guidelines in order to make emergency loans
 - b. Amend or waive administrative guidelines as deemed necessary and reasonable in order to adequately respond to an emergency
 - c. Approve amendments to existing loan agreements
2. When a loan application requires a prompt response, the Committee may request expedited approval by the Mayor. The Mayor is authorized to consider, approve, and sign loan amendments, new loan agreements, and any other related documents necessary to consummate loans. When timing permits, final approval of emergency loan applications will go before City Council.