COVID-19: Economic Development Council of Kansas City Now Accepting Loan Applications for KC Small Businesses

May 4, 2020

By Curry Sexton

The Economic Development Council of Kansas City (EDCKC), in partnership with the City of Kansas City, Missouri (KCMO), recently announced that it is now accepting loan applications to help ease some of the financial burden imposed upon small businesses by COVID-19. EDCKC, also known as LoanUp, was provided $500,000 by the KCMO City Council to create the Kansas City, Missouri Small Business Relief Loan Fund (the "Loan Fund").

This Loan Fund was informally pledged by Mayor Quinton Lucas on March 24th when he stated that the fund would serve as a "lifeline" to entrepreneurs. President and CEO of EDCKC, T'Risa McCord, acknowledged that, while we do not yet know the full impact COVID-19 will have on the Kansas City economy, "small businesses are the lifeblood to our city, and sometimes these businesses don't have access to the same resources as larger ones[.]"

Loan Eligibility

In order to be eligible for the Loan Fund, a business must meet the following criteria:

- Private, for-profit business that is considered "small" per the Small Business Administration guidelines;
  - Visit the SBA website or contact your regular attorney contact at Seigfreid Bingham if you have questions regarding whether your business is considered a small business;
- Small business deemed "non-essential" and/or disproportionately impacted by the government-issued public health restrictions;
  - These businesses are generally described as: retail, food service, entertainment, personal service, hospitality, healthcare not directly involved in the COVID-19 response, transportation, and fitness industries;
- Based and located within the city limits of KCMO;
- $750,000 or less in annual revenue;
- Must demonstrate profitability, a positive tangible net worth, and show repayment ability;
- Must be able to provide income verification;

    - Includes past six months of financial statements and past two years of personal/business tax returns; and
- Must provide details about any principals or officers of the business who have applied for a small business loan in the last 30 days.

Home-based businesses, political activities, private clubs, financing/investment companies, and businesses in which a state, local, or federal elected official, or an employee of KCMO, has ownership are not eligible for the Loan Fund.

Loan Specifics

- Up to 5-year terms and loan amounts up to $25,000;
- Up to 4.5% interest rates and zero interest and deferred payments for the first 6-12 months;
- No minimum credit score is required;
- No pre-payment penalties; and
- Flexible collateral requirements.

Application Process

If your business meets the above Loan Fund, you can apply online. If you prefer, you may submit a paper application, which is available for pickup at EDCKC's office, 300 Wyandotte, or at KCMO offices. If you wish to obtain a paper application, call 816-897-0208 to schedule a pickup time at one of the foregoing locations, as EDCKC's office building is not currently accessible due to COVID-19.

If you have questions regarding the Loan Fund and/or the application process, please call 816-897-0208, email SBLF@edckc.com, or contact your regular attorney contact at Seigfreid Bingham.

This article is general in nature and does not constitute legal advice. Readers with questions should contact the author, Curry Sexton (csexton@sb-kc.com) or your regular contact at Seigfreid Bingham at 816-421-4460. For more information and updates, visit our COVID-19 Resources page.