



Michael Preston
Secretary of Commerce,
Executive Director
Arkansas Economic
Development
Commission

Quick Action Loan Program

Pursuant to the direction of Governor Asa Hutchinson and Secretary of Commerce Mike Preston, the Arkansas Economic Development Commission has established a loan program to provide assistance to businesses affected by the COVID19 outbreak. The program will be funded through an allocation of \$4,000,000 from the Governor's Quick Action Closing Fund, and an additional \$3,000,000 from Attorney General Leslie Rutledge's Consumer Education and Enforcement Fund. The Quick Allocation Closing Fund allocation will prioritize companies that are in the supply chain of essential goods and services, including healthcare, food manufacturers, and logistics. The allocation from the Attorney General will support small businesses. The program includes both loan guaranties and direct lending to businesses.

Features of Quick Action Loan Guaranty:

- AEDC will guaranty up to 80% of the principal balance of a loan issued by a lender participating in the program. The amount of AEDC's guaranty is capped at \$250,000.
- Borrower must demonstrate that it has been adversely impacted by the health emergency.
- Proceeds may be used for working capital, inventory, payroll, and other uses that facilitate the continuation of business operations.
- Borrower will be subject to the lender's customary underwriting and collateral requirements.
- Loan amount may be amortized for up to 5 years.
- Initial payments may be deferred for up to 90 days at the option of borrower and lender.
- Borrower and participating lender must sign loan guaranty agreements with AEDC, which will include job retention requirements for the borrower.

Features of Quick Action Direct Loan:

- Loans issued directly to borrower by AEDC. Loan amount is capped at \$250,000.
- Loans are at zero interest and may be amortized for up to two years.
- Payments may be deferred for up to 6 months following closing on the loan.
- Borrower must demonstrate to AEDC that it has no other satisfactory financing options available to it through commercial lending or through other government programs such as the SBA Economic Injury Disaster Loan Program.
- Borrower must demonstrate that it has been adversely impacted by the health emergency.
- Borrower must satisfy AEDC's financial underwriting requirements.
- Borrower must agree to job retention requirements.

The Quick Action Loan Program is a discretionary incentive program offered by AEDC. Not all who apply for a loan or loan guaranty will be approved. The information provided in this document is only a general summary of the program features and does not create any obligation by AEDC to provide a guaranty or to fund a loan. AEDC reserves the right to adjust the terms of any loan or guaranty based on the borrower's individual circumstances. Borrowers may only have one loan (guaranty or direct loan) outstanding at any point in time.