

FOR IMMEDIATE RELEASE

Mayor Fischer announces loan program to help small businesses impacted by COVID-19 outbreak
Loans will cover immediate expenses while businesses await other relief funds

LOUISVILLE, Ky. (March 31, 2020) – Mayor Greg Fischer today announced the creation of the Small Business Continuity Loan Program, a \$900,000 fund that will provide zero-interest loans, with no payments for 12 months, to very small businesses impacted by COVID-19. Small businesses can receive up to \$25,000 to cover immediate expenses.

The loan program is a partnership between Louisville Metro Government, LHOME, Render Capital, Greater Louisville Inc., and Lenderfit. Funds are still being raised for the program.

“We’re fighting a health crisis, but we’re also fighting a financial crisis. The first bills are coming due for small businesses, and it is critical that they have access to immediate cash flow to meet those financial obligations as we all do our part to combat the COVID-19 pandemic,” the Mayor said. “Throughout this, I’ve seen our city come together like never before, and I am proud of the compassion our partners are showing by banding together to give small businesses options.”

Loans will be administered by local Community Development Financial Institution (CDFI) LHOME, which has a track record of finding innovative ways to help small businesses who need it the most. It will be managed through Lenderfit, a local loan application software startup that will provide the security and expediency needed to process the loans.

“Many of our existing borrowers own restaurants, retail establishments, or support the hospitality industry and are in desperate need of assistance to pay their bills now,” said Amy Shir, President and CEO of LHOME. “I’m thrilled to partner with Louisville Metro and other like-minded individuals and organizations to help these businesses weather COVID-19.”

This program will help our smallest businesses, with 10 full-time employees or fewer, get through this state of emergency when many are facing closure or severe limitations as a result of the COVID-19 pandemic. According to the Wall Street Journal, most businesses only have 15 days of cash.

“Time is something we don’t have, unfortunately, in this current economy, and as great as the federal relief package is for small businesses, it’s imperative we support that locally, or we will not have any businesses around to rehire people when this is all said and done,” said Bryce Butler, Managing Partner of Access Ventures, a private operating foundation that manages regional fund Render Capital. “Small businesses are 50 percent of the jobs in America, and we need them to survive for us to see the economic recovery we all hope for.”

The growing loan program was created with funds from Louisville Metro, as well as \$150,000 from Render Capital and \$200,000 from LHOME. Other funding partners including Endeavor board chairman Brook Smith.

“GLI is pleased to participate in this effort because it is imperative that we support small businesses during this difficult time,” said Sarah Davasher-Wisdom, President & CEO of Greater Louisville Inc. “We are encouraging the business community to support this initiative through investment, coaching, and participation in the loan review committee. It is good to see our community coming together in this time of need.”

The Board of the Metropolitan Business Development Corporation (METCO), which administers small business loans on behalf of Louisville Metro, voted Monday to shift \$500,000 from its Small and Disadvantaged Gap Loan Fund to LHOME for the Small Business Continuity Loan Program.

Starting Monday, April 6, CDFI LHOME will begin accepting applications from small businesses for zero-interest loans of up to \$25,000 through the Small Business Continuity Loan Program. Businesses will not be required to make any payments on the loan principal until the end of the 12-month loan term.

For small businesses to be eligible to receive a loan, they must meet the following criteria:

- Have 10 or fewer full-time
- Show emergencies connected with the COVID-19 economic crisis.
- Be located in Jefferson County.
- Be in good standing with the Louisville Metro Revenue Commission as of March 1, 2020.
- Agree to receive financial coaching.

Businesses interested in applying should visit www.lhomeky.org.

The Small Business Continuity Loan Program is still raising funds and is accepting donations at www.lhomeky.org.

Funding given by banks qualifies as Community Reinvestment Act contributions.