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MEDIA RELEASE

COUNTY LAUNCHES NEW SMALL BUSINESS RECOVERY LOAN PROGRAM

Loan Program to Assist Small Businesses Affected by COVID-19

Alhambra, CA, April 13, 2020 – In response to small businesses affected by COVID-19, the Los Angeles County Board of Supervisors has created the Small Business Recovery Loan Program, administered by the Los Angeles County Development Authority (LACDA).

The Small Business Recovery Loan Program provides easy to access, timely, and sufficient financial relief to small businesses that are most impacted by an acute downturn in revenue caused by an unforeseen emergency outside their immediate control. This program will ensure businesses can keep their employees and businesses afloat during this time of economic hardship and prevent a chain reaction of reduced spending, inability to pay bills, job losses, or even closure.

The loans will be made available through the County's existing Economic Development Administration (EDA) Loan fund as the primary source of funding. Any for-profit business with 25 or fewer employees located within the unincorporated Los Angeles County or city participating in the County's Community Development Block Grant Program is eligible. Loan proceeds may be used for working capital, including payroll or rent. The maximum loan amount is \$20,000 with a term of five (5) years, and the minimum interest rate is authorized by the EDA (4%) or Wall Street Journal Prime (75%), whichever is lower. Principal and interest will be deferred up to 12 months. Loans may be prepaid, in part or in whole, at any time without penalty. There is no loan origination fee and no collateral is needed to secure the loan.

Emilio Salas, Acting Executive Director of the LACDA, said, "The current COVID-19 pandemic is impacting small business economies. However, the County has been taking swift action to support business owners and their employees during this time – and this new loan program will be a helpful addition to the resources available."

To obtain an application, visit bizrecoveryloans.lacda.org. Additional resources for small businesses can be found at: <https://dcba.lacounty.gov>. For more information on the Small Business Recovery Loan Program, please contact Carolina Romo, Supervisor at LACDA, at (626) 296-6298 or by email at BizRecovery@lacda.org. All media may contact Elisa Vásquez, LACDA Public Information Officer, at (626) 586-1762.

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