



**TOWN OF MOREHEAD CITY  
EMERGENCY MANAGEMENT ACT SMALL BUSINESS LOAN PROGRAM  
ELIGIBILITY CRITERIA ADOPTED APRIL 7, 2020**

**SUMMARY:**

This loan program provides emergency, short-term loans to small businesses located within the City limits of Morehead City for the purpose of paying up to two months' lease/rent or mortgage/interest payments of the business in order to secure the physical business location from eviction or foreclosure during this state of emergency. Loans to eligible small businesses are equivalent to the actual monthly rental or mortgage payment of the business, not to exceed the sum of \$2,500 per month for up to two months, which would be a maximum total of \$5,000 for an individual small business. The rental or mortgage payment loans will be funded by the City in the form of direct payments directly to the landlord or mortgage servicer. The loans will be unsecured, with interest accruing at 6.75% percent per annum with a default rate of 8% per annum, and having repayment terms over 36 months. No payments are due or payable within the first 12 months and there is no prepayment penalty. Loans must be documented by a promissory note in a form reasonably acceptable to the City Attorney. To be eligible for a loan, small businesses must be current on all applicable City taxes.

**WHAT BUSINESSES ARE ELIGIBLE:**

In order to be eligible for this loan program, the business must completely and properly fill out, sign, and submit an application and must:

- Have a physical location inside the City limits of Morehead City from which the business currently operates or in which the business operated as of the State of North Carolina State of Emergency Declaration declared on March 10, 2020;
- Have been in business providing goods or services to the public at the Morehead City physical location prior to March 10, 2020.
- Have 25 or fewer employees;
- Provide a copy of the Morehead City physical location lease or most recent mortgage statement;

- Provide the name and address of the landlord or mortgage company which the City will use to process the rental or mortgage payment checks;
- Provide a W9 for the business; and
- Demonstrate that the business is in need of assistance to pay lease/rent or mortgage/interest payments to secure their Morehead City physical location as a result of the above-referenced declared state of emergency and/or the State of NC's "Stay at Home" order

**WHAT BUSINESSES ARE NOT ELIGIBLE?**

- Any business not meeting the eligibility criteria as outlined above;
- Any Uber/Lyft drivers and other similar transportation operations;
- Nonprofits;
- Auto dealers;
- Vice businesses (vape shops, massage parlors, etc.);
- Property Management of landlord-related businesses;
- Any business applying for a loan on a physical location where the business does not provide goods or services, but solely leases the location to a tenant; and/or
- Any business that would not be able to receive this loan assistance without causing a violation of NC law against conflicts of interest, including: businesses that are owned more than 10% by a Town of Morehead City Council member or public officer or employee making or administering this loan program or the spouse of such Town of Morehead City Council member, public officer, or employee.

**ELIGIBLE BUSINESSES WILL NO LONGER BE ELIGIBLE** for future advances if the business is operating as of its application date and thereafter ceases operations or fails to operate to provide goods or services for a minimum of thirty hours per week at its Morehead City location (other than pursuant to governmental order). For, example, if a business is approved for a loan of two months' rental payments, and after the City makes one rental payment the business ceases operations in that Morehead City location (other than pursuant to governmental order), then the City will not make any further rental payments.



## **MOREHEAD CITY COVID19 SMALL BUSINESS LOAN PROGRAM APPLICATION**

Please review eligibility criteria before applying. This loan program is available to eligible business owners who apply until such time as Morehead City is no longer under the COVID19 (Coronavirus) declared state of emergency, as may be amended from time to time, or such earlier date as the budgeted funds of \$300,000 in the aggregate for all loans under this program are exhausted. The following information must be submitted as part of application for the Morehead City COVID19 Small Business Loan Program. Please attach additional sheets, as necessary.

1. Name of business (Note: include if an LLC, corporation, or sole proprietorship/DBA):
  
2. Morehead City Physical Address of business:
  
3. What goods or services do you provide at this location?
  
4. Was this business providing goods or services at this location as of March 10, 2020?
  
5. Is this business currently providing goods or services at this location?
  
6. Names of all owners of the business and percentages of ownership:
  
  
7. Names of all officers of the business and titles:





13. Initial here to confirm you attached a copy of the lease or mortgage statement  
(Note: If your lease is not currently in writing; you will need to have your landlord confirm the terms of your lease in writing.)

14. Initial here to confirm you attached a copy of the W9 for the applicant business:

I, the undersigned, hereby certify that: (1) I have reviewed the Emergency Management Act Small Business Loan Program Eligibility Criteria before applying for the requested small business loan, (2) I believe my business is eligible for this loan, (3) all information and documents that I provide are true and accurate to the best of my knowledge, (4) I will provide additional information or documentation if requested by the City to confirm eligibility, (5) this business can receive this loan from the Town of Morehead City without causing a violation of North Carolina conflicts of interest laws, and (6) I have the authority to take out a loan on behalf of the applicant business.

Today's Date

Business name:

By:

By:

Name:

Name:

Title:

Title:

Phone #:

Phone #:

Email:

Email:

Submit completed application with supporting documentation by email to: [emergencyloan@moreheadcitync.org](mailto:emergencyloan@moreheadcitync.org) OR apply online at: [www.moreheadcitync.org](http://www.moreheadcitync.org). See the Town of Morehead City website for more details or email [emergencyloan@moreheadcitync.org](mailto:emergencyloan@moreheadcitync.org) with any questions.