



TRANSYLVANIA EMERGENCY BRIDGE LOAN PROGRAM

ABOUT

The program is a partnership among Mountain BizWorks and participating local governments in Transylvania County, NC.

PURPOSE

Provide a tool to local small businesses to access emergency loan capital to assist those negatively impacted by COVID-19.

OVERVIEW

Loan program for small businesses impacted by COVID-19 (not a grant)

ELIGIBILITY

Small for-profit & non-profit businesses with 1-49 employees

REQUIREMENTS

Funds to be used for maintaining and reopening a business in community

TERMS

6 months no payments, interest accruing at 4%, 36 month term at 5.5%

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The Transylvania County Emergency Bridge Loan Program is designed to be a flexible source of market-based, business capital to help Transylvania County businesses and organizations meet pressing financial obligations and navigate the COVID-19 crisis. Repayment is expected either from more permanent funding sources (like SBA Disaster Loans) or from the future cash flow of the operation.

The program is aimed at serving as loan for small for-profit and non-profit Transylvania County based businesses, with 1-49 employees, that have been negatively impacted by COVID-19 and have not yet been able to access capital through federal or state emergency loan initiatives. Mountain BizWorks serves as the administrator of the business loan program. This is not a grant program. Applicants can apply directly to Mountain Biz Works.

Apply here: <https://www.mountainbizworks.org/transylvania-fund/>

OVERVIEW:

Loans to be made available for up to \$10,000, based on the business's current revenue.

LOAN AGREEMENTS ARE STRUCTURED AS FOLLOWS:

- Six months of no payments required at 4% (interest accruing), followed by 36 months of principal and interest payments at 5.5% interest (market-based).
- There are no prepayment penalties.
- Defaulted loans are subject to collections.

WHO IS ELIGIBLE?

- For-profit and non-profit businesses.
- Have a physical location and be principally based in Transylvania County.
- Have between 1 (who could be the self-employed owner) and 49 employees.
- Have been in business for at least 12 months.
- Demonstrated loss of revenue of 25% or more due to COVID-19.

REQUIREMENTS:

- Any individual with greater than 20% ownership in the applying business must personally guarantee the loan.
- Proceeds from the loan may only be used for maintaining or reopening an existing business. Eligible uses include payroll, accounts payable, fixed debts, or other bills the business is unable to pay due to the effects of the COVID-19 crisis.
- Participating businesses must agree to provide impact data.
- Borrowers are required to assign the proceeds of future assistance programs, including SBA loans, to the repayment of their Transylvania County Bridge Loan.

LOGISTICS:

- Businesses interested in applying should be prepared to complete an online application and provide tax returns, profit and loss statements, and bank statements.
- Loans are subject to the availability of funds.

