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Pawtucket now offers forgivable loan program - by Donald Grebien

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Mayor
Donald Grebien

Given the extended duration of the COVID-19 pandemic and its continuing severe impacts on Pawtucket's small businesses, the city of Pawtucket now offers a Forgivable Loan Program, created by the city's Pawtucket Business Development Corp. (PBDC), to get needed operating funds into the hands of small business owners as soon as possible.

Over the past year PBDC has closely listened to its small business community and has worked to fine-tune its initial COVID-19 Emergency Loan Program for addressing the continuing financial burdens faced by local businesses resulting from continued economic downturn. PBDC's new Forgivable Loan Program comes from these conversations.

PBDC's new Forgivable Loan Program provides interim relief to small businesses with 25 or fewer employees, who can demonstrate a 50% loss of revenue caused by the continued virus crisis. Like PBDC's initial COVID-19 Emergency Loan Program, the new Forgivable Loan Program can be used to pay operating expenses for day-to-day business operations, which include but are not limited to rent, utilities, insurance, marketing costs and supplies.

PBDC will require business owners submitting the completed application to either be low-moderate income or to provide documentation that at least one (1) low-moderate job be either created or retained. The application will include income guidelines.

The emergency loan amount of \$5,000 comes with a low 2% interest rate. Due to the continuing hardships caused by COVID-19, PBDC's loan is deferred for the first 12 months after the loan is closed. After 12 months, businesses will begin to make their monthly payments and will have two (2) years to complete full repayment of the loan. However, this loan will be forgiven after the first year if one (1) job is either created or retained.

PBDC has already closed on 32 COVID-19 Emergency Loans, totaling \$320,000, since its initial

COVID-19 Emergency Loan Program began in May 2020. Funding is limited for this new Forgivable Loan Program, and applications will be reviewed on a first come, first serve basis. Only completed applications, signed and dated, will be considered ready for review.

Businesses can download the application from the city website and mail the application or drop it off addressed as follows: Attention: Pawtucket Business Development Corp., City of Pawtucket, 137 Roosevelt Avenue, Pawtucket, RI 02860. Please contact Herb Weiss, the city's economic and cultural affairs officer, with any questions or comments at his office (401) 728-0500, x437, or by e-mail at hweiss@pawtucketri.com.

Donald Grebien is the mayor of city of Pawtucket, RI.

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