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PADD to Offer COVID-19 Business Relief Working Capital Loan Program

MAYFIELD, KY- May 5th, 2020 - Beginning May 6th, 2020, the Purchase Area Development District will offer a working capital loan program to support local small businesses impacted by COVID-19. Utilizing its existing Economic Development Administration Revolving Loan Fund, the PADD Board of Directors and Loan Review Committee approved using funds from the PADD's EDA-RLF fund for loans ranging from \$5,000 to \$25,000. These loans can be used to meet short-term working capital needs such as payroll, rent, utilities, interest payments, supplies, inventory management, and/or payments to suppliers.

Businesses located within one of the PADD Counties: Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall, and McCracken Counties are eligible to apply for this loan program. Loan terms include a maximum of 36 months, with an optional six (6) month deferral from date of loan closure. The floor interest rate charged on all loans will be the lesser of either 75% of the prime rate as published in the Money Rates section of the Wall Street Journal, or four percent. At time of release, the floor rate is 2.44%; fixed. No closing fees will be charged. The business does have to provide any available collateral and show an ability to repay the loan. Applications will be accepted through June 30th, 2020.

Priority will be given to projects that have the greatest impact on employment. Additionally, projects should be in the industrial, commercial, agricultural, or service sectors. Businesses that have received a loan through the SBA Paycheck Protection Program (PPP) or Economic Injury Disaster Loan (EIDL) are not eligible to apply for this program.

Potential applicants should contact Mike Maxwell, Business Loan Specialist, with the Purchase Area Development District to discuss project eligibility. Mr. Maxwell can be reached by email at mike.maxwell@purchaseadd.org or by phone at 270.251.6170. An application packet for the PADD COVID-19 Business Relief Working Capital Loan Program can be found at PADD's website, www.purchaseadd.org.

The Purchase Area Development District is one of fifteen ADDs in Kentucky that provide a system of complete coverage to all 120 counties and a link between local leadership, the Governor's office, state and federal agencies, and private organizations. The mission of Purchase Area Development District (PADD) is to improve the quality of life for the residents of the Purchase Area through planning, programs, and partnerships. For more information about our organization go to www.purchaseadd.org