As a result of the COVID-19 pandemic, the Lubbock Economic Development Alliance, Market Lubbock and the South Plains Association of Governments (SPAG) partnered together to provide $2 million in support for Lubbock’s struggling small businesses who are a critical component of Lubbock’s economy. These funds will be allocated to local businesses experiencing difficult financial times who need assistance with working capital on a short-term basis.

The minimum criteria to apply is to show $100,000 in gross revenues in 2019, with the maximum set at $5 million in gross revenues. Business must reside inside the city limits of Lubbock.

The purpose of the funds is to provide working capital for small business to use for the following:

- Overhead operations
- Payroll
- Rent
- Short-term uses of cash for business operations and utilities
- Inventory or raw material

Collateral options for those interested in applying cover businesses that currently have no collateral, a lien on real estate or have filed for a uniform commercial code-1 on equipment, inventory, accounts receivable, etc. No credit elsewhere or personal guarantee is required. However, while proof of other funding awarded is not mandatory when applying, any and all additional resources the business in question has acquired is strongly encouraged and will be asked to be provided.

For a business to be considered for the fund, the business must meet a minimum gross revenue of $100,000 for 2019 and not exceed a gross revenue of $5 million. The maximum allowed to apply for is based on the size of the small business: $60,000 for businesses with more than $2.5 million in gross annual revenue; $40,000 for businesses with between $500,000 and $2.5 million in gross annual revenue; and $20,000 for businesses with less than $500,000 in gross annual revenue. Larger potential for funds is considered on a case-by-case basis.

The funds are on a first come, first served basis for businesses. All allocations begin as a loan with a 4 percent interest rate and a maximum 5-year term. However, during the first year, the company may pay only the interest due on the loan. Additionally, the business has the potential of having a portion of or all of the loan forgiven in the first year depending on certain circumstances.

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000-$500,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>$500,000-$2.5MM</td>
<td>$40,000</td>
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<tr>
<td>$2.5MM-$5MM</td>
<td>$60,000</td>
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All applications will be reviewed along with the following criteria:

- Cash flow
- Repayment ability
- Impact of COVID-19 on business
- Impact on job retention
- RMA data compared to industry data
- Credit report of the borrower

To apply, visit spag.org or call 1-800-858-1809