

GOVERNOR NOEM'S SMALL BUSINESS RELIEF FUND

The Governor's Office of Economic Development today launched the small business loan program that was approved by the SD Legislature last Monday. The goal of the GOED office is to have these loans reviewed and approved within one week of receiving the application.

GOED expects high demand for these loans, and applications will be evaluated on a "first come, first served" basis. Follow this link to [download the application](#).

Appropriate Eligibility Requirements:

- Be a small for-profit or non-profit business as defined by SBA, but with less than 250 employees
- Physical presence in South Dakota
- Established prior to March 2020
- Provide a certification from a South Dakota banker and/or South Dakota CPA that: he/she has reviewed recent financial condition of the applicant, that the applicant's business has incurred economic injury as a result of the COVID-19 pandemic, and the applicant needs the funds for SD operations
- Have a personal credit with a minimum score of 650; lower requires a special exception
- Demonstrate 1:1 debt coverage ratio with the new debt factored under normal circumstances

Loan Details:

- Amount: Min: \$5,000 – Max: \$75,000 in \$5,000 increments
- Interest rate: 0% Fees: none
- No payments for initial 6 months
- Maximum term of 60 months (prefer shorter term for smaller loans)
- Automatic Payment Required
- No pre-payment penalty
- Personal guaranties for any owner with at least a 20% share of the business
- A blanket security agreement
- Loan over \$25,000 may require additional collateral (mortgage, etc)
- Loans will be made directly to small businesses from GOED

Loan Agreement Terms:

- Proceeds from the loan must be held in a separate bank account at a bank in South Dakota.
- Applicant must provide regular expenditure reports to GOED documenting that the use of proceeds were used for normal recurring operating expenses.
- Proceeds may not be used for any distributions or dividends to owners.
- GOED makes no assurances as to how approval or denial of this application will impact the applicant's ability to pursue other financing from the SBA or any other source.
- As a subfund of REDI, these loans will be subject to annual audit by Department of Legislative Audit
- Board of Economic Development will review Eligibility Requirements and Loan Terms; a public monthly report will be provided to them on loan activity.
- Loans will be approved by the Commissioner of the Governor's Office of Economic Development after consultation with the Credit Review Committee
- All application materials are confidential. Name of all loan recipients will be a public record.