



PRESS RELEASE

YSCU Emergency Line of Credit Assistance Program For Local Small Businesses and Nonprofits

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YSCU and YSCF Partner to provide an Emergency Line of Credit Program for local small businesses and nonprofits. Applications accepted Friday, May 1 – Wednesday, May 6 with funds available by Friday, May 8; opening new application windows as funds are available.

These Line of Credit loans will be available to Local Businesses and Nonprofits. The line of credit loans will have no application fee, first payment not required until May 2021, revolving line through December 2021, no interest until January 2022, and payoff by December 2022.

Through a partnership between YS Federal Credit Union (YSCU) and Yellow Springs Community Foundation (YSCF), an EMERGENCY LINE OF CREDIT PROGRAM is made available to local small businesses and nonprofits of Yellow Springs and Miami Township impacted by COVID19. This low-rate Line of Credit loan program is for those businesses and nonprofits who have had revenue reduction or other interruptions to their budgeting process and as a stop-gap until other governmental and agency funding solutions can be made by the business and nonprofit. Line of Credit funds can be used to cover expenses related to COVID-19. Line of Credit will be made by YSCU and fully share-secured by funds owned by YSCF and on deposit at YSCU.

The initial scope of the loans is funded by an initial amount of \$100,000 toward businesses and \$50,000 towards nonprofit in shares owned by the Yellow

Springs Community Foundation, on deposit at YSCU. They have been pledged as collateral to secure up to the same amount in loans granted to businesses and nonprofits who meet the purpose of the program. These funds are in addition to \$75,000 pledged for local individual emergency loans which opened March 19, 2020.

It is possible that the pledged amount of shares could increase through additional deposits owned by YSCF, or by additional depositors pledging shares through the YSCF for this purpose. In such case, the ability to make additional loans to help additional applicants is possible.

Loan Terms: Loans will be disbursed with the following combination of terms tailored to each borrower:

- The total determined by YSCU as necessary and related purposes (whichever is less).
- Amount per borrower is based on one month's essential expenses.
- It is not required for an applicant to have collateral or cosigners in order to qualify for the loan. The loans are approved on a first come, first served basis until the available collateral shares are depleted or until YSCF or YSCU decide to terminate the program.
- Amounts due creditors or service providers, etc., are paid directly from loan disbursements.
- Maturity can extend to December 31, 2022, and no payment is due until May 2021.
 - Revolving line of credit is active through December 31, 2021.
 - Interest accrued between the loan date and December 31, 2021 will be paid by the Foundation.
 - Interest due on loans extending beyond December 31, 2021 will be paid by the borrower.
- There is no early pay-off penalty.
- A fixed, simple interest rate will be charged on the notes.

YSCF is accepting donations to the loan funds for expansion of the program or as "angel" pay-off for loans.