The overall goal of the program is to provide one-time emergency loans to eligible for-profit small businesses in the City of Richmond. The loan proceeds are intended to provide short-term capital until the current business environment stabilizes and/or other outside sources of capital are made available to businesses. Applying for other federal and/or private loans and grants does not disqualify applicants from applying for the Richmond Small Business Disaster Loan Program (COVID-19). The loan proceeds from the Richmond Small Business Disaster Loan Program (COVID-19) can only be used for the sole purpose of paying employee wages (gross wages paid to employees) in order for the businesses to remain open to the public in a manner that conforms to mandates and policies established by the City of Richmond, the Commonwealth of Virginia, and the United States, and thus further economic development in the City.

The Richmond Small Business Disaster Loan Program (COVID-19) is managed by the City of Richmond Department of Economic Development on behalf of the Economic Development Authority of the City of Richmond.

Loan Amount: The maximum loan amount under this program is equal to six (6) months of current employee wages (gross wages paid to employees) or $20,000, whichever is less. Loan proceeds will be paid in six (6) equal monthly disbursements. Should the business cease operations for any reason during the six (6) month period, no future disbursements will be made.

Interest Rates: The interest rate for loans under this program is 0%.

Loan Repayment: Repayment of the loans under this program is deferred for the first six (6) months after the final disbursement. After the deferment period, the loans under this program will be repaid over 48 months. There are no penalties or fees for early repayment of the loan. 

Example: The monthly payment on a $20,000 loan will be $416.67 each month for 48 months after the six-month deferment period.

Applicant Eligibility:
- Must be at least twenty-one (21) years of age and be a legal resident of the United States
- Have a current business license to operate in the City of Richmond
- Have a business that is located in the City of Richmond (Note: If the applicant has multiple businesses or business locations, the loan proceeds must be used for the business(es) that are located in the City of Richmond
- Have a business that is currently open and operating in the City of Richmond
- Not have current recorded tax liens or judgements
• Be current on all local taxes owed to the City of Richmond as of February 29, 2020
• Have fewer than 25 full-time employees (Note: Full-time employee means an employee who works a minimum of 35 hours per week)
• Have been in operation at least 2 years (24 months)
• Must provide a personal guarantee for repayment of the loan
• Must own at least 50% of the business for which they are applying for the loan

To apply:
• Email the following documents as an electronic PDF file(s) to Rick.Winston@richmondgov.com:
  o Completed and signed Richmond Small Business Disaster Loan Program (COVID-19) application (By signing the application you authorize the lender to make inquiries as necessary to verify the accuracy of the statements made and to determine your creditworthiness).
  o Documentation of weekly payroll expenses for the past eight (8) weeks
  o Two (2) years of the company’s financial statements
  o Two (2) years of the business signed tax returns
  o Two (2) years of the applicant’s individual signed tax returns

There is a limited amount of funding available for this loan program. Complete application packages will be reviewed in the order they are received electronically beginning Monday, April 6, 2020.

For more information contact:
Rick Winston
Economic Development Programs Administrator
Rick.Winston@richmondgov.com
(804) 646-5036