

E-Communities (and other partners) - we need your help:

This morning Governor Laura Kelly has announced the HIRE Fund (Hospitality Industry Relief Emergency) Fund. It's pretty straight forward: The \$5 million loan program will offer loans up to \$20,000 at 0% interest for a term of 3 years with deferred payment of 4 months (1st payment due 120 days from initial disbursement date).

Here's how the program will work:

Eligibility

- * Existing for profit business located in Kansas
- * Must have 100 or fewer employees
- * Restaurant, bar, lodging facility (not Airbnb), conference center, event center (related hospitality businesses not listed may be approved on a case by case basis).

Geographic Distribution of Funds

- * \$2 million will be allocated to the KC Metro Area (Johnson, Wyandotte, Shawnee and Douglas counties)
- * \$1 million will be allocated to Sedgwick County
- * \$2 million will be allocated to the rest of the state
- * A total of \$5 million will be distributed through the state

Applicants can find the program overview and application on the Kansas Department of Commerce website, at kansascommerce.gov/HIREfund. In addition, a brief introduction, as well as an overview document and a link to the application, is available on the www.networkkansas.com website. Please communicate this information to businesses that you think could benefit from this new program.

General process:

The business owner will complete the application and it will be sent to NetWork Kansas. If there are questions about the application or we need additional vetting, NetWork Kansas will reach out to you and/or others in our partner network. A yes/no determination will be made within 72 hours based on the information provided in the application, eligibility requirements as well as being mindful of the geographic distribution of funds. There will be no security or collateral requirements but there will be a personal guaranty on all loans. For approved applications, the loan document will be prepared by NetWork Kansas and sent to the applicant via email. The applicant will sign the documents using DocuSign. Electronic funds transfer or check disbursement will take place within 48 hours. The loan documents will indicate who the ASO (Administrative Support Organization) will be for the borrower (depending on the location, it may be the E-Community or it may be the CDC). Loan repayments will be made to the ASO, in the same manner an E-Community loan repayment is made, including the ASO taking their standard servicing fee from each payment. Because all approvals have a 4 month deferral, we will have time to communicate with the ASO so that they have a copy of the executed loan documents.

Please know that a **primary reason** NetWork Kansas was asked to assist the State with this initiative is because of the talented and dedicated partners we have on our E-Community leadership teams. It is your on-the-ground work and support of Kansas small businesses that gives them the very best chance to grow and expand. It's that same close relationship that allows for swift and efficient administration of loan fund programs. To that end, I wanted to ensure you were completely in the loop, as your role will be crucial to the success of this State initiative.

Thank you and please reach out to me with questions.

Erik Pedersen | Vice President of Entrepreneurship

epedersen@networkkansas.com | (316) 425-8841

NetWork Kansas | Resources for Starting and Growing Your Business

www.networkkansas.com | (877) 521-8600