Emergency Small Business Loans
COVID-19 Related Small & MicroBusiness Needs

$5,000 to $30,000 | 0 - 2% Interest Rate

We are redesignating our Colorado Main Street microloan program as the Emergency Colorado Main Street loan program to help businesses during the COVID-19 crisis. Colorado Lending Source cares about social impact and providing an opportunity for small businesses to stay afloat through the Emergency Main Street loan program. Banks are overwhelmed by the Paycheck Protection Program requests and because we are a designated SBA Community Advantage lender, we anticipate being authorized to help out with this program. Banks are only working with existing customers to make these forgivable loans right now, and we would like to include the underserved small business communities with access financing that would otherwise not be available.

The Problem
- Small businesses are struggling to continue to operate and thrive during COVID-19 Pandemic
- Bank regulations make it challenging to finance startups, therefore, startup and early stage entities have difficulty securing financing on reasonable terms to help start or grow their businesses
- EIDL program, has credit score restrictions and mountains of paperwork
- 28% of startup applicants were not approved for any type of financing

The Solution
- 0-2% emergency Character-based loan program that uses a unique underwriting approach in order to provide funding for businesses unable to obtain traditional or EIDL financing
- More equitable access to Paycheck Protection Program loans

Achievements
- 72% of the Main Street Program’s loans were made to startup enterprises (CDFI’s typically only make about a third of their loans to startups)
- 40% of loans were made to women-owned businesses
- 35% of loans were made to rural-based businesses
- About 37% of loans were made to businesses located in low-to-moderate income census tracts or CDFI investment area

The Ask
To help expand funding for the Colorado Main Street loan program:
- Program Related Investments (PRI’s) of 2% or less (below market loans)
- Personal guarantees to be used as leverage to secure bank financing
- Foundation connections with technical assistance programs to support our resource library

Sustainable Development Goals
- Reduce poverty
- Independence, health & well-being through building wealth
- Gender / race, ethnic equality
- Enjoyable work-life balance with sustainable income stream
- Creativity
- Sustainability
- Innovation & infrastructure development
- Reduce inequality
- Sustainable and stronger cities and rural communities

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