



Frequently Asked Questions

Small Business Express CT Recovery Bridge Loan Program

Is the Bridge Loan a line of credit for general working capital?

No, the bridge loan program is a loan program for specific eligible uses with a focus on helping companies affected by the Covid-19 pandemic. Funds can be used for working capital needs and will be disbursed in one single payment.

How do I know if I am eligible for the Bridge Loan Program?

- If you are a CT based business with under 100 employees,
- In good standing with Department of Revenue Services and Department of Economic & Community Development,
- Profitable prior to 3/10/2020,
- No adverse personal credit report 60 days past due for the last six months,
- Ineligible companies include companies involved in real-estate, multi-level marketing, adult entertainment, cannabis or firearms. For a complete list of requirements, please refer to www.decd.gov

How much funding can I receive through this Program and what are the terms?

Loans are available up to the lesser of a) 3 months operating expenses; and b) \$75,000 based on demonstrated cash flow needs. DECD reserves the right to determine loan amount.

The interest rate is Zero (0) percent, 12 month term with a balloon payment at the end of 12 months. A 6-month extension may be requested. There is no pre-payment penalty and freely pre-payable.

Is there a job obligation associated with the award of funding?

Job creation is not a requirement for funding through the Bridge Loan Program.

Application & Process

What do I need to do to apply for funding?

You will need to complete the one-page Application and the Project Financing Plan & Budget form and include the following documents:

- 2019 Income Statement or Profit and Loss Statement
- 3-month projected cash flow demonstrating need
- Credit Score Report
- Summary of Adverse Economic Impact resulting from COVID-19
- Letter of Good Standing from DRS – <https://portal.ct.gov/DRS/TSC/Help-Text/Status-Letter>

What is the process once I submit my application and supporting documents?

Once a completed application is received, DECD will perform its due diligence and underwriting process. If approved, you will receive a Letter of Intent (LOI) which will outline the approved loan amount and terms. You will be asked to counter-sign the LOI indicating your acceptance in which time legal counsel will be assigned to prepare the assistance agreement/contract. **Please note the Assistance Agreement is a standard non-negotiable contract.**

Can the applicant be reimbursed for expenditures made prior to the date that DECD receives the application?

Yes. Any operating expenses after March 10, 2020 are eligible costs for this program.

Can DECD funds be used toward salaries?

Yes, this program is designed to assist companies through their working capital needs brought on by Covid-19. We will need to see a detailed account of actual payroll and 3 month projected payroll.

Can DECD funds be used to refinance existing debt?

Generally no, although credit card debt in the Company name and accounts payable could be considered if it is not more than 25% of the request.

Is there an application fee?

No.

Are there any other fees?

Yes, if DECD approves the application for funding, then the company is responsible for payment of DECD's legal costs incurred to prepare the contract documents (assistance agreement), whether or not a closing takes place. These costs are in addition to the applicant's own attorney's costs, if applicable. The applicant is required to pay the DECD legal bill prior to the release of funds. An estimate of these fees will be provided prior to closing.

How long does the process typically take?

DECD's goal is 30 days from the point where a complete application package is received.

Payment**How are funds disbursed?**

You will be asked to submit ACH paperwork so the funds can be wired transferred directly to your bank in one payment.

Can I defer loan payments?

The loan is to be paid back in full after 12 months in one balloon payment. A six-month extension may be requested and is at the discretion of DECD.

For More Information**Who do I contact for more information?**

Contact the Business Response Hotline at 860-500-2333 or via email at decductrecovery@ct.gov. Email preferred due to high volume on phone lines.