



Town of James Island

Jumpstart James Island

Jumpstart James Island is a program Town Council approved in Sept. of 2020 to provide low-interest working capital loans to small businesses within the Town's jurisdiction that have been negatively affected by the COVID-19 pandemic.

The program is a partnership with the Charleston Local Development Corporation (LDC). The LDC issues the loans and assists in underwriting and other loan examination needs. The Town first qualifies that the business meets the requirements and is in good standing, and if approved the loan application is forwarded to the LDC for processing and lending.

Below are the loan guidelines:

- Loan amounts from \$2,500 to \$25,000 used exclusively for working capital.
- Businesses must have a physical location within the corporate limits of James Island, have 25 or fewer full-time equivalent employees (to include franchises with fewer than 25 employees in the Town), and be in good standing with the Town to include a current business license.
- Businesses must be able to demonstrate (using financial records) COVID-19 related impact to their operations, occurring after March 1, 2020.
- Businesses established after March 1, 2020 should be able to explain and demonstrate how their business developed out of a necessity or because of the COVID-19 pandemic.
- Ineligible businesses include:
 - Churches and other nonprofits
 - Multi-level marketing businesses
 - Financial/lending institutions
 - Private membership or fraternal organizations
 - Businesses with over 25 full-time employees or equivalent
 - Home Occupation-based business
- Loan Terms

- Interest rate of no more than 4%
- The LDC retains 3% of interest paid, with remaining 1% reinvested into the program
- Loan origination fee is 1% of loan total to cover closing costs, paid by the Town
- Application fee of \$25, payable to LDC
- Loan term of twelve months for loans between \$2,500 - \$10,000 / 24 months for loans \$10,001-\$25,000 (term maybe extended after analyzing the recipient's ability to repay due to COVID-19 operating restrictions).
- No prepayment penalty
- Full personal and corporate guarantees
- The Town will screen: Business location; number of employees; Town business license; No active code violations
- The LDC is responsible for loan underwriting and has sole decision-making on loan approval and terms
- Loan payments will be drawn by ACH from borrowers' bank account.
- The LDC will provide the Town with the business name and loan amount
- The LDC will provide the Town with quarterly reports on portfolio performance