

Louisiana Loan Portfolio Guaranty Program FAQ

On April 1, 2020, Louisiana Governor John Bel Edwards announced a new Louisiana Loan Portfolio Guaranty Program (“LLPGP”), which will offer loans of up to \$100,000 to Louisiana small businesses of fewer than 100 employees that are impacted by the COVID-19 crisis.

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1. What is the LLPGP?

The LLPGP is a partnership of Louisiana Economic Development (“LED”), which will provide a loan guaranty fund; the Louisiana Bankers Association (“LBA”), whose participating members will offer the loans; and the Louisiana Public Facilities Authority (“LPFA”), which will administer the program.

The purpose of the LLPGP is to provide loans to Louisiana small businesses in response to COVID-19.

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2. Who is eligible to apply for the program?

-  For-profit small businesses domiciled in Louisiana which employ less than 100 employees that have been impacted by COVID-19.

3. What types of businesses are not eligible to participate in the program?

-  Gaming businesses.
-  Churches.
-  Religious and non-profit organizations.
-  Real estate developers.
-  Pawn shops.
-  Pay-day loans.
-  Lending and investment concerns.
-  Speculative activities.

4. How do I apply for an LLPGP loan?

Applicants are required to contact the bank or lending institution directly to apply.

5. Is there a fee to apply for an LLPGP loan?

No. There is no fee to apply for an LLPGP loan.

6. How long does the application process take?

It depends on the loan amount and the approving lending institution. However, it is expected to be an expedited process.

7. What is the deadline to apply?



Applications must be received by banks or lending institutions by **April 30, 2020**.

8. What is the maximum LLPGP loan amount?

The maximum LLPGP loan amount is \$100,000.

9. What can an LLPGP loan be used for?

The use of loan proceeds must be directly related to the economic injury caused by the COVID-19 pandemic. Suggested uses include:

-  Maintaining employee payroll for an eight-week period.
-  Maintaining continuance of business operations within COVID-19 executive orders, proclamations, and relevant state agency guidance.

10. What types of financing are eligible?

Qualifying borrowers may take advantage of non-revolving lines of credit or term loans.

11. How long do I have to pay an LLPGP loan back?

The term of the loan can range from one to five years.

Important Links

- To learn more about the LLPGP, click [here](#).
- To read the press announcement, please click [here](#).

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