Gov. Edwards: State-Led Program to Offer COVID-19 Small Business Help

April 01, 2020

Today, Gov. John Bel Edwards announced a new Louisiana Loan Portfolio Guaranty Program, 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. To help Main Street and rural businesses sustain operations, the loans will require no payments and will bear no interest for 180 days and carry below-market interest rates of no more than 3.5 percent.

The Loan Portfolio Guaranty Program, or LPGP, is a partnership of Louisiana Economic Development, which will provide a loan guaranty fund; the Louisiana Bankers Association, whose membership will provide the loans; and the Louisiana Public Facilities Authority, which will administer the program. A total loan pool of $50 million will be quickly disbursed to eligible small businesses across Louisiana.

“Time and again, Louisianans have demonstrated the desire and commitment to help their neighbors in times of crisis,” Gov. Edwards said. “The Loan Portfolio Guaranty Program is another great example of that service. So far, we have commitments from more than 30 banks across Louisiana who have agreed to participate in this program. We believe it will be instrumental in helping our small businesses recover from the COVID-19 crisis.”

The Louisiana loan program partners — LED, LBA and LPFA — envision helping small businesses meet critical needs for operating their firms during and beyond the disruption of the COVID-19 pandemic.

“The beauty of this program is we are not competing with the essential financial products offered by the U.S. Small Business Administration — we are complementing SBA,” LED Secretary Don Pierson said. “Our bankers know their customers well. They have confidence in the LPFA to administer this program in a professional, proactive manner; and they have the further confidence of an LED loan guaranty fund that will enhance the security of these loans.”

LPGP loans will provide up to $100,000 in immediate financing to help small firms impacted by COVID-19 meet their payroll, retain employees, pay their rent and mortgages, and keep their lights on and their doors open. Interested businesses may find loan details at OpportunityLouisiana.com/covid19 (https://www.opportunitylouisiana.com/covid19), and a list of participating bankers will be posted at the site by Friday as banks complete their participation agreements.

“Louisiana banks play an important role in economic activity, and continue to do so during disaster recovery,” said Louisiana Bankers Association CEO Robert Taylor. “The work Louisiana Economic Development and the Louisiana Public Facilities Authority have done on this loan guaranty program for small businesses is great. We appreciate the opportunity to get the program details out to all the bankers in the state. The can-do spirit of everyone involved has been very positive.”

“The LPFA has an extensive history of assisting the State of Louisiana in some of its most challenging times,” said President and CEO James W. Parks II of the Louisiana Public Facilities Authority. “I am pleased that LPFA’s experience and capacity has allowed us to quickly bring this program forward. Access to funding for Louisiana businesses is a priority, and by working with our Louisiana banking community we can make loan decisions here in Louisiana. This state guaranty program will leverage available funds and enhance eligibility.”

Through the program, bankers will have the flexibility to extend loan terms for up to five years, while interest rates will be below conventional commercial lending rates and no higher than 3.5 percent. To date, participating banks have requested allocations for about two-thirds of the $50 million in loan capacity available through LPGP.

Other lenders interested in participating should contact LED by calling Business Development Manager Kelly Raney at 225.342-0411 or by emailing LEDSmallbizloans@la.gov (mailto:LEDSmallbizloans@la.gov).

About LED
Louisiana Economic Development is responsible for strengthening the state’s business environment and creating a more vibrant Louisiana economy. LED cultivates jobs and economic opportunity for the people of Louisiana, and promotes business opportunity for employers of all sizes. In 2019, LED attracted more than 80 new economic development projects representing 12,300 new jobs, 15,500 retained jobs and over $8.4 billion in new capital investment. LED’s Small Business Services team assisted more than 9,500 Louisiana small businesses and entrepreneurs in 2019. For more information, visit OpportunityLouisiana.com (/action.cfm?md=communication&task=addMessageClickThru&msgid=2591&uid=#emailID#&encoded=1&redirect=http%3A%2F%2Fwww%2Eopportunitylouisiana%2Ecom%2F).

About LBA
The Louisiana Bankers Association is the professional trade organization for commercial banks and thrifts in Louisiana. Founded in 1900, the LBA works to provide advocacy, communication, education and other services to its member institutions, and to provide banking information to the general public. For more information, visit LBA.org (/action.cfm?md=communication&task=addMessageClickThru&msgid=2591&uid=#emailID#&encoded=1&redirect=http%3A%2F%2Fwww%2Elba%2Eorg%2F).

About LPFA
The Louisiana Public Facilities Authority is a self-supporting public trust and public corporation that issues taxable and tax-exempt bonds to finance projects throughout the state. LPFA finances industrial and economic development projects; and provides low-cost funding for hospitals and hospital equipment,

universities and other educational facilities, as well as essential programs for state and local governmental units. The LPFA does not receive any funds from the state for its operations. To learn more about the LPFA, visit LPFA.com (/action.cfm?md=communication&task=addMessageClickThru&msgid=2591&uid=#emailID#&encoded=1&redirect=http%3A%2F%2Fwww%2Elpfa%2Ecom%2F).

CONNECT *with* *the* GOVERNOR

EMAIL *the* **GOVERNOR**

REQUEST *of* *the* **GOVERNOR**

APPLY *to* **SERVE**

(https://twitter.com/LouisianaGov) (https://www.facebook.com/LouisianaGov/) (https://www.instagram.com/louisia