

# FINDING FUNDING NOW

## Current and future options for small business capital during the pandemic

Current as of 03.26.20

Brad McConnell

CEO

Accion Serving Illinois & Indiana

**ACCION**

# Our Mission

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Accion helps neighborhood entrepreneurs grow. We provide the capital, coaching, and connections small business owners need to create wealth and jobs throughout Illinois and Indiana.

# Agenda

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What options for emergency capital are available **today**?

- Federal
- State
- City
- Accion

What options for emergency capital will be available **soon**?

- Federal
- State
- City
- Accion

# What options for emergency capital are available today?

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## **Federal**

- SBA Economic Injury Disaster Loans

## **State of Illinois**

- Hospitality Emergency Grant Program

## **Accion**

- Immediate payment reductions
- Expedited line of credit

# SBA Economic Injury Disaster Loans

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## Basics

- Eligibility: <500 employees with acceptable credit
- Maximum: \$2M
- Rate: 3.75%
- Term: Up to 30 years
- Application: [DisasterLoan.sba.gov](https://DisasterLoan.sba.gov)

## Details

- Requires collateral if over \$25K
- Must submit SBA Form 5, IRS Form 4506T, recent tax return, SBA Form 2202, SBA Form 413, SBA Form 1368, 2020 P&L
- Apply directly to SBA, processing times uncertain

# Hospitality Emergency Grant Program

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## Basics

- Eligibility: Restaurants and bars <\$1M, hotels <\$8M
- Maximum: \$25K for F+B, \$50K for hotels
- Rate: Free
- Term: N/A
- Application: [us.accion.org/ILgrant](https://us.accion.org/ILgrant)

## Details

- \$14M in grants overall: \$8M for hotels / \$6M for F+B
- \$10K for F+B <\$500K / \$25K for F+B btw \$500K and \$1M
- \$50K for hotels under \$8M annual revenues
- Must upload license and tax return
- For working capital, training, and technology
- Apply by 4/1, lottery 4/4, disbursements 4/6 (w/ACH and W9)
- Lottery distribution: 1/3 Chicago, 1/3 collar, 1/3 downstate

# Accion Expedited Line of Credit

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## Basics

- Eligibility: IL or IN business owners with clean credit 1/19 to 3/20
- Maximum: Up to \$25K, based on 2020 revenues
- Rate: 9%
- Term: Interest-only year 1, then shift to 2 year term loan
- Application: [us.accion.org/chicago](https://us.accion.org/chicago)

## Details

- Max amount will be based on average revenues from January and February business bank statements
- Must have credit report showing on time payments for all lines since 1/19
- Quick application, minimal documentation
- Funding in less than 10 days

# What options for emergency capital will be available soon?

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## **Federal**

- Keeping Workers Paid and Employed Act (Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)): Paycheck Protection Program

## **State of Illinois**

- Illinois Small Business Emergency Loan Fund

## **City of Chicago**

- Chicago Small Business Resiliency Loan Fund
- TBD Grant program

## **Accion**

- *What we will offer...*



# Keeping Workers Paid and Employed Act (Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)): Paycheck Protection Program

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## Basics

- Eligibility: <500 employees per location, other TBD
- Maximum: 2.5x avg monthly payroll for previous year, up to \$10M
- Rate: up to 4%
- Term: no payments for 6-12 months, full term up to 10 years
- Application: TBD (thru 7a and CA lenders including Accion)

## Details

- Loan will be forgiven for compensation expenses (up to \$100K per employee or business owner), rent or mortgage interest, and utility costs incurred for 8 weeks after origination before 6/30
- Loan forgiveness is not taxable
- No “credit elsewhere” test, no personal guarantee, no collateral, no fees
- Includes nonprofits and sole proprietors

*\*\* Pending in Congress – subject to change \*\**

# Illinois Small Business Emergency Loan Fund

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## Basics

- Eligibility: Outside Chicago, <\$3M, <50 employees
- Maximum: \$50K
- Rate: No payment for 6 months, TBD thereafter
- Term: 5 years
- Application: <https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/EmergencySBAInitiatives.aspx>

## Details

- Working capital
- Further info by Friday

# Chicago Small Business Resiliency Loan Fund

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## Basics

- Eligibility: Chicago, <\$3M, <50 employees
- Maximum: \$50K
- Rate: No payment for 6 months, TBD thereafter
- Term: 5 years
- Application: [www.surveymonkey.com/r/COVID19Chicago](http://www.surveymonkey.com/r/COVID19Chicago)

## Details

- Working capital
- Further info by Monday

# TBD Chicago Emergency Grant Program

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## Basics

- Eligibility: TBD
- Maximum: TBD
- Rate: TBD
- Term: TBD
- Application: TBD

## Details

- TBD

# Accion: what we will offer

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## Offerings

- Keeping Workers Paid and Employed Act loans (TBD)
- State of Illinois Hospitality Emergency grants
- State of Illinois Small Business Emergency loans (TBD)
- City of Chicago emergency grants (TBD)
- City of Chicago Small Business Resiliency loans
- Accion client payment reductions
- Accion expedited line of credit
- Accion free business coaching

# Learn More

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For frequent updates from Accion, follow us on social media or online

- Facebook: @AccionServingILIN
- LinkedIn: @AccionChicago
- Web: [us.accion.org/chicago](http://us.accion.org/chicago)

For the next update from Accion on small business capital during the pandemic:

- Email Jackie Blair at [jblair@accionchicago.org](mailto:jblair@accionchicago.org) to join our email newsletter