



In this ever-changing environment, the programs and the processes are rapidly evolving. Our business development partner, the East Central-Indiana Small Business Development Center, has put together an easy to follow bullet-point overview of the available programs. This is just a summary. As you may imagine, the state of information is somewhat in flux. This is the information we have been guided to give at this time. You should be receiving information from the SBA once you have applied for these various programs with any changes. It is recommend that you keep up with future changes on [www.sba.gov](http://www.sba.gov).

Here are the programs for consideration . . .

### **The PPP (Paycheck Protection Program)**

- The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.
- SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
- The Paycheck Protection Program (PPP) created by the CARES Act prohibits borrowers from taking out two loans for the same purpose. For more information on PPP loans, visit [uschamber.com/sbloans](http://uschamber.com/sbloans)
- You should apply for the PPP through a local SBA 7(a) lender (many of your local banks). See below for an update on participating commercial lenders in Fayette County, Indiana.

### **EIDL (Economic Injury Disaster Loan) Emergency \$10,000 grant –**

- Eligible applicants for an EIDL can receive a \$10,000 emergency grant within three days of application (through Dec. 31)
- There is no obligation to repay the grant. To receive the \$10,000 emergency grant, it is not necessary to have an approved EIDL loan. However, if you are able to secure a PPP loan, the \$10,000 grant will be subtracted from the forgiveness amount
- website: <https://covid19relief.sba.gov/#/>

### **The EIDL (Economic Injury Disaster Loan) – full loan, not just the emergency grant**

- The maximum EIDL is a \$2 million working capital loan at a rate of 3.75% for businesses and 2.75% for non-profits with up to a 30-year term
- Payments on Coronavirus EIDL loans are deferred for one year
- Up to \$200,000 can be approved without a personal guarantee
- Approval can be based on a credit score and no first-year tax returns are required
- Borrowers do not have to prove they could not get credit elsewhere

- No collateral is required for loans of \$25,000 or less. For loans of more than \$25,000, general security interest in business assets will be used for collateral instead of real estate
- The borrowers must allow the SBA to review its tax records
- Same application as the Grant Program - <https://covid19relief.sba.gov/#/>

### **The Express Bridge Loan Pilot Program**

- The Express Bridge loan program allows SBA Express lenders to provide expedited financing to small businesses located in declared disaster areas. Express Bridge loans are intended to be interim loans. Businesses use these funds for disaster-related purposes while they apply for and await long-term financing.
- Only lenders that were already participating in the SBA Express program at the time of the disaster can issue Express Bridge loans. These lenders may issue Express Bridge loans only to eligible small businesses that had an existing banking relationship with the lender at the time of the disaster.
- Lenders can issue Express Bridge loans up to six months after the disaster declaration. Lenders may require a borrower to pay down or pay off the Express Bridge loan if the borrower is approved for long-term disaster financing that may be used to reimburse the Express Bridge loan.
- Apply through the SBA Express lender that you currently have a business relationship with.

The aforementioned information is from the following reference documents:

1. <https://www.uschamber.com/report/guide-sbas-economic-injury-disaster-loans>
2. <https://www.sba.gov/partners/lenders/7a-loan-program/pilot-loan-programs#section-header-8> (for the Bridge Loan)
3. <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>



Special thanks to Scott Underwood, Business Advisor, East-Central ISBDC, for his efforts in providing the summaries on these programs. The East-Central ISBDC is available to give free, confidential, consultations/guidance to small business: [East Central ISBDC | 765-282-9950 | eastcentral@isbdc.org](mailto:EastCentralISBDC@isbdc.org) | [www.isbdc.org](http://www.isbdc.org)

---

### **Additional information on the PPP (Paycheck Protection Program) provided by the Fayette County Chamber of Commerce:**

- The application for the PPP must be submitted through an SBA 7(a) commercial lender. Call your bank and verify if they are an approved SBA lender. If not, you will see a list of local banks who are approved and willing to take PPP Applications from non-clients.
  - Even though the PPP process rolls out on Friday, April 3, some banks may not be set up to receive your applications for another week.
  - Who can apply? Small businesses (less than 500 employees), Sole Proprietor, Independent Contractors, Non-profits with a 501(c)(3) designation, Veterans organizations, and Tribal businesses.
-

- PPP funds must be used only towards salary, wages, payment of cash tips, etc., see the full details on the SBA.gov website.

**Fayette County Commercial Banks who are approved SBA Lenders:**

(this will updated as our banking partners send details on their process)

**Fifth Third Bank**, 120 W. 5th Street, (765) 825-0546 (will work with non-clients)

**First Financial Bank**, 630 Central Avenue, (765) 825-5121

**First Merchants Bank**, 832 Central Avenue, (765) 827-0811

**FCN Bank**, 105 W. 3rd Street, (765) 825-7251

**U.S. Bank**, 720 W. 30th Street. Call Kellian Neff, Business Banking Specialist, (812) 537-7530 (will work with non-clients)