



U.S. Small Business
Administration

**The SBA works to ignite change and spark action
so small businesses can confidently**



START • GROW • EXPAND • RECOVER

SBA's Disaster Declaration Makes Loans Available Due to the Coronavirus (COVID-19)



Economic Injury Disaster Loan (EIDL) Advance

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>



Paycheck Protection Program (PPP)

www.sba.gov/ppp



SBA Express Bridge Loan

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans>



SBA Debt Relief

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>

Small Business Economic Relief

Tools Made Available in Response to Coronavirus (COVID-19)

CARES Act



Paycheck Protection Plan



Economic Injury Disaster Loan Advance (up to \$10,000)



SBA Debt Relief

SBA Base Programs Expanded



Economic Injury Disaster Loans
Includes deferment through 2020



Traditional SBA-backed Lending
Includes new Express Bridge Loan Pilot



No-Cost Business Advising
Additional funding via partners

SBA Debt Relief



- Current and new 504, 7(a) and Microloan borrowers are eligible
- Size of loan, interest rate, term, fees, use of proceeds, and collateral are determined by the loan program
- Information on SBA loan programs in Resource Guide - https://www.sba.gov/sites/default/files/2020-05/SBA-MN_2020-508.pdf
- Personal guarantees are required
- **SBA will cover principal, interest and fees for 6 months**
- Apply with a lender that participates in the loan program
 - Participating Lenders - https://www.sba.gov/sites/default/files/articles/Complete_Lender_List_2020a pril2.pdf
- Deadline to apply for new loans is 9/26/2020
- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>

Economic Injury Disaster Loans & Advance

Direct Loan from SBA

EIDL Loan – reopened June 15th

- Small includes businesses with under 500 employees or small by SBA size standards
- Working capital includes payroll, rent, mortgage, material costs, pre-existing debt not being covered by PPP
- Up to 30-year term with interest at 3.75% for businesses and 2.75% for non-profits with one-year deferral
- No pre-payment penalty

<https://covid19relief.sba.gov/#/>



Economic Injury Disaster Loans & Advance

Direct from SBA

EIDL Advance

- Does not have to be repaid
- Receive Advance even if don't qualify for loan
- Up to \$10,000; based on \$1,000/employee
- Deposited in approximately 10 days
- Advance may reduce forgiveness under Paycheck Protection Program

<https://covid19relief.sba.gov/#/>



Economic Injury Disaster Loans & Advance

If You've Already Applied

SBA's Office of Disaster Assistance is processing both as quickly as possible; additional staff have been hired to meet the demand

EIDL Advance will be automatically deposited into your bank account

EIDLs are being processed on a first-come, first-serve basis

- If you received notice the application was submitted successfully and your confirmation begins with a **3**, the loan is being processed
- Early applicants whose confirmation begins with a **2** should have re-applied via the updated portal (the original time stamp is kept)
- Some initial applications will require additional information

Status updates available through SBA's Office of Disaster Assistance

- 1-800-659-2955 (TTY/TDD: 1-800-877-8339); disastercustomerservice@sba.gov
- SBA Field Offices do not have access to the EIDL or EIDL Advance applications

Paycheck Protection Program

Overview

First round: \$349 billion

- Provided in CARES Act signed into law on March 27
- Opened on April 3; funds exhausted at 10 a.m. EDT on April 16
- 1.6+ million loans approved
- SBA processed more than 14 years' worth of loans in less than 14 days

Second round: \$310 billion

- Provided in PPP & Health Care Enhancement Act signed into law on April 24
- Re-opened on April 27
- 2.6+ million loans approved as of May 12, totaling more than \$191 billion
- **PPPFA on June 5th – new applications posted last week**
- Money remains available
- **Deadline to apply 6/30/2020**



Paycheck Protection Program (PPP)



- Up to \$10M, 1% interest
 - Loan payments deferred for 10 months, interest will accrue
- **Required documentation may include**
 - **Payroll records or tax filings**
 - **Form 1099-MISC**
 - **Income expense for sole proprietorship**
- No Fees, Collateral or Personal Guarantees
- Apply directly with Lender - <https://www.sba.gov/content/minnesota-lenders-list>
- You can see sample documents at the PPP website (Forms [2483](#), [2484](#))
- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

Paycheck Protection Program

Eligibility & What it Provides

WHO is eligible:

Small business that meets SBA's size standards (either industry based or alternative size)

Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern

Sole proprietors, independent contractors, and self-employed persons

WHAT does it provide:

Proceeds to cover payroll costs and non-payroll costs (rent, interest on mortgage or debt obligations and utility payments)

60% to be used for payroll/40% for non-payroll

24-week covered period falls within 2/15/20-12/31/20

Paycheck Protection Program

PPP Flexibility Act

- Extends covered period to 24 weeks
- Reduces the minimum amount of payroll costs to 60%
- Exemptions on FTE reduction where:
 - Business could not operate at capacity due to following CDC guidelines
 - Could not rehire employees as of 2/15 or similarly qualified individuals
- Extends deferral period
 - To the date that the SBA pays the amount of forgiveness to the lender
 - Borrower has 10 months from the end of the covered period to request forgiveness

PPP Forgiveness Process

Overview



- Borrower completes and submits loan forgiveness application to lender (SBA Form 3508)
- Lender has up to 60 days to submit forgiveness decision to SBA
- SBA has up to 90 days to remit forgiveness amount to the lender
- Any amount of loan not forgiven must be repaid before the 2-year maturity date*

*New loans made after enactment of PPP Flexibility Act have a 5-year term.

The SBA Resource Partner Network

Access the right tools at the right time—wherever you are.



Approved and funded by the SBA



1,400+ partner offices nationwide



Find local resource partners near you at [SBA.gov/local-assistance](https://www.sba.gov/local-assistance)



Which Resource Partners are Right for You?



Assistance From SBA Partners

No-cost technical assistance, consulting, and mentorship from any of [SBA's Resource Partners](#):

- **Small Business Development Centers (SBDCs)** - <https://mn.gov/deed/business/help/sbdc/>
- **SCORE** - <https://www.score.org/>
- **Women's Business Centers (WBC)**
 - **WomenVenture** - <https://www.womenventure.org/>
 - **Women's Business Alliance** - <https://www.entrepreneurfund.org/womens-business-alliance/>
- **Veteran's Business Outreach Centers** - <https://www.wvbic.com/veterans/>



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Questions?

disastercustomerservice@sba.gov | 800-659-2955
(800-877-8339 for the deaf and hard-of-hearing)

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