



Economic Injury Disaster Loan (EIDL)

Economic Injury Disaster Loan - Overview

- The federal government through the SBA is providing small businesses with the opportunity to apply for an Economic Injury Disaster Loan (EIDL)
- These are working capital loans that may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion.
- Eligible entities have until December 18, 2020 to apply and may qualify for loans up to \$2 million.

Economic Injury Disaster Loan - Overview

- The interest rates for these loans are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years. No payments due for the first year.
- Business owners will also receive an advance of up to \$10,000.
- The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue.
- Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

EIDL - Criteria



- Credit History-Applicants must have a credit history acceptable to SBA.
- Repayment –SBA must determine that the applicant business has the ability to repay the SBA loan.
- Eligibility- The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.

EIDL - Collateral Requirements

- Economic Injury Disaster Loans over \$25,000 require collateral.
- SBA takes real estate as collateral when it is available.
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.

Additional Information

- SBA's Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury.
- Applicants do not go through a bank to apply. Instead apply directly to SBA's Disaster Assistance Program at: DisasterLoan.sba.gov
- There is no cost to apply.
- There is no obligation to take the loan if offered.

Additional Information

- Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster, but the loans cannot be consolidated.
- If more funds are needed, applicants can submit supporting documents and a request for an increase. If less funds are needed, applicants can request a reduction in the loan amount.
- If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration.

Ineligible Entities

- Agricultural Enterprises -If the primary activity of the business (including its affiliates) is as defined in Section 18(b)(1) of the Small Business Act, neither the business nor its affiliates are eligible for EIDL assistance.
- Religious Organizations
- Charitable Organizations, businesses considered hobbies, government-owned concerns.

Ineligible Entities

- Gambling Concerns (Ex: Concerns that derive more than 1/3 of their annual gross revenue from legal gambling activities)
- Casinos & Racetracks (Ex: Businesses whose purpose for being is gambling (e.g., casinos, racetracks, poker parlors, etc.) are not eligible for EIDL assistance regardless of 1/3 criteria above.
- Real estate developers – establishments primarily engage in subdividing real property into lots and developing it for resale on their own account.

Private Non-Profit Organizations

An eligible private non-profit organization is a non-governmental agency or entity that currently has:

1. An effective ruling letter from the U.S. Internal Revenue Service, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or
2. Satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law.

How To Apply

- Applicants may apply online by going to www.sba.gov/disaster.
- SBA's Disaster Customer Service Center:
 - 1-800-659-2955
 - 1-800-877-8339 (TTY)
 - disastercustomerservice@sba.gov.



Obtaining Assistance - SBA Partners

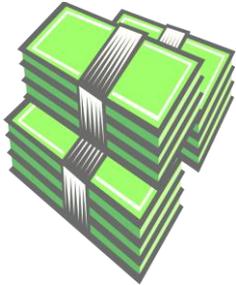
Free assistance with reconstructing financial records, preparing financial statements and submitting the loan application is available from any of SBA's partners:

- Small Business Development Centers (SBDCs)
- SCORE Chapters
- Women's Business Centers (WBC), and
- Veteran's Business Outreach Centers and local Chambers of Commerce.

For the nearest office, visit: <https://www.sba.gov/local-assistance>

Economic Injury Disaster Advance Loan

- Eligible small business can also receive an Economic Injury Disaster Loan advance of up to \$10,000.



- The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue.
- Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.



Paycheck Protection Payment Program (PPP)

Paycheck Protection Program - Overview

- 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 will be available through June 30, 2020.

Who Can Apply

- Small businesses with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- Small businesses in the hospitality and food industry with more than one location could also be eligible at the store and location level if the store employs less than 500 workers. This means each store location could be eligible.

How To Apply

- You can apply through any existing SBA 7(a) lender.
- Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.
- Consult with your local lender as to whether it is participating in the program.
- Lenders may begin processing loan applications as soon as April 3, 2020.

Loan Details and Forgiveness

- Fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll).
- Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- This loan has a maturity of 2 years and an interest rate of .5%.



U.S. Small Business
Administration

Debt Relief Program

SBA Debt Relief

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis. Under this program:

- The SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020.
- The SBA will pay the principal and interest of current 7(a) loans for a period of six months.



Express Bridge Loan Program

SBA Express Bridge Loan Program

- Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork.
- These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loan or used to bridge the gap while applying for our EIDL.
- This loan will be paid off once the business owner receives the EIDL loan.

Important Contact Information

For additional information on any of these programs:

<https://www.sba.gov/funding-programs>

SBA Resource Partners: <https://www.sba.gov/local-assistance>

SBA Disaster Customer Service phone number:

1-800-659-2955 , (TTY: 1-800-877-8339) or e-mail

disastercustomerservice@sba.gov

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Distribution Link: www.SBA.gov/SouthFlorida

SBA South Florida Email: SouthFlorida_DO@sba.gov

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THANK YOU!

BE WELL AND STAY SAFE!

Brought to You by Your South Florida SBA Team