



U.S. Small Business
Administration

Agenda

1. SBA Small Business Funding Programs (COVID-19)

- Paycheck Protection Program – 7(a) Lenders
- SBA Debt Relief – 7 (a) Lenders
- Economic Injury Disaster Loan - SBA
- Economic Injury Disaster Loan Advance - SBA
- SBA Express Bridge Loans – SBA Express Lenders

2. Non-Financial Assistance from the U.S. SBA and our Partners

3. Additional Resources

“Times and conditions change so rapidly that we must keep our aim constantly focused on the future.”

-Walt Disney

Paycheck Protection Program

Small businesses and eligible nonprofit organizations, Veterans organizations, and Tribal businesses described in the Small Business Act, as well as individuals who are self-employed or are independent contractors, are eligible if they also meet program size standards.

Under this program:

- Eligible recipients **may qualify for a loan up to \$10 million** determined by 8 weeks of prior average payroll plus an additional 25% of that amount.
- Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.

All loans under this program will have the following identical features:

- Interest rate of 1%
- Maturity of 2 years
- First payment deferred for six months
- 100% guarantee by SBA
- No collateral
- No personal guarantees
- No borrower or lender fees payable to SBA

Will be
managed via
SBA
Authorized
7(a) Lenders

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.
- Details are forthcoming...

Guidance
on this
program is
pending

Will be
managed
via SBA
Authorized
Lenders

Economic Injury Disaster Loans (EIDL)

Direct Loan
from the
SBA



Loans up to \$2 million; **no payments for 12 months**



Small businesses and private non-profits are eligible



May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster



3.75% interest rate for small businesses *without credit available elsewhere*; businesses with credit available elsewhere are not eligible.



2.75% for private non-profits



Long-term repayments for COVID crisis will be 30 years



\$10,000 Loan Advance will be made within 3 days of a successful application – No repayment

Economic Injury Disaster Loan **Advance**

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan **advance of up to \$10,000**.



Direct Loan
from the
SBA

- The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- 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.**

Additional EIDL Details

- No cost to apply
- Amount is determined by SBA from your information
- No obligation to take the loan (if offered)
- Existing SBA loans are okay.
- Personal guarantee requirements
 - None if loan in under \$200,000
 - If more than \$200,000 then guarantee form all 20% or greater owner
- Collateral:
 - If more than \$25,000 EIDL requires collateral
 - SBA will not decline for lack of collateral, but requires the pledge of what is available
 - Does not require primary residence in Texas

Who is Ineligible

- Any business where gambling is more than 1/3 of annual gross revenue
- Casinos & Racetracks where their purpose for being is gambling
- Businesses of a prurient sexual nature
- Pawn Shops is more than 50% of income derives from interest
- Religious Organizations
- Investment or Lending companies
- Charitable Organizations (private non-profits are OK)
- All Speculative Activities
- 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.

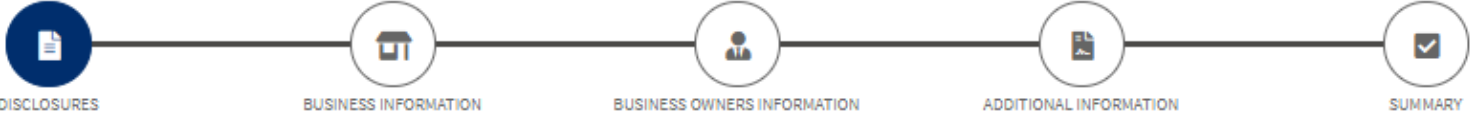
How to Apply for EIDL

- Website for applying - Economic Injury Disaster Loan
 - <https://covid19relief.sba.gov/#/>
- **Works on iPhone with Safari/Chrome on Android**
- **If PC; works best with Internet Explorer or Microsoft Edge**

- You may also contact the SBA disaster customer service center:
 - 1-800-659-2955
 - e-mail disastercustomerservice@sba.gov
 - TTY: 1-800-877-8339

Economic Injury Disaster Loan Application

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



DISCLOSURES BUSINESS INFORMATION BUSINESS OWNERS INFORMATION ADDITIONAL INFORMATION SUMMARY

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

ELIGIBLE ENTITY VERIFICATION

Choose One:

Applicant is a business with not more than 500 employees.

Applicant is a business with more than 500 employees.

After Applying

Loan Processing Decision

- Information is verified and credit checked
- Forecasts are completed to determine the EIDL amount
- A loan officer contacts you to make recommendation and discuss next steps
- Decision normally takes up to 4 weeks

Loan Closes and Funds Disbursed

- Sign and Submit Loan Documents
- Initial disbursement of \$25K within 5 days
- A Case Manager is assigned that will help you with the rest

Important Notes About Your Application

- If more funds are needed, you can submit supporting documents and request an increase
- If less funds are needed you can request a reduction
- If denied you will be given up to six months to provide a written reconsideration request with new information or supplemental information
 - If denied a second time, you get 30 days to appeal again
- Please complete and submit everything required

SBA Express Bridge Loans

1. 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**. Loan is at SBA Express lenders discretion.
2. 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 loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan.
3. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

Lower Rio Grande Valley District Express Lenders

American Bank
Bank of America
BBVA
Capital One
1st Community Bank
First Convenience Bank
First National Bank of South Padre Island
First National Bank Texas
Frost Bank
Greater State Bank
JPMorgan Chase Bank
Lone Star National Bank
Navy FCU
Plains Capital Bank
Prosperity Bank
Security Service FCU
Value Bank Texas
Vantage Bank Texas
Wells Fargo Bank

Will be
managed
via SBA
Authorized
Express
Lenders

Your Existing SBA Loan

7(a) Loans and Micro Loans

- Lenders may help with temporary cash flow issues by deferring payments
- For 7(a) loans, up to six (6) consecutive months
 - *Unless guarantee has been sold, in which case 90 days*
- For micro loans, up to six (6) consecutive months
 - *Deferment may not cause the loan to extend beyond the maximum six (6) year maturity*

504 Loans

- CDCs may help with temporary cash flow issues by deferring payments
- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less

Disaster Loans

- Deferment through December 31, 2020

Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners

- Del Mar College and UT Rio Grande Valley Small Business Development Centers
- SCORE Mentors
- UTRGV Veteran Business Outreach Center

A range of help during the downturn, to include:

- Cash flow management / short term financial management
- Messaging / Social Media to stay engaged with customers
- Import/Export
- Supply Chain
- Strategic Planning and Financial Tune-Up; prepare to prosper after the disaster
- Planning for further disasters / Risk management / Insurance counseling

Assistance From 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, and Veteran's Business Outreach Centers as well as some local Chambers of Commerce.

University of Texas Rio Grande Valley Small Business Development Center

Request an advisor: <https://bit.ly/3buGrcd>

Call 956-665-7535

Email: sbdc@utrgv.edu

<https://www.utrgv.edu/sbdc/>

UTRGV SBDC continues operational, telecommuting for the safety of the community and staff. SBDC continues to provide service to the small business community.

Del Mar College Small Business Development Center

Call 361-698-1021

Online Counseling

<https://delmar.edu/sbdc/advising.html>

SCORE

<https://www.score.org/find-mentor>

US Small Business Administration

956-427-8533

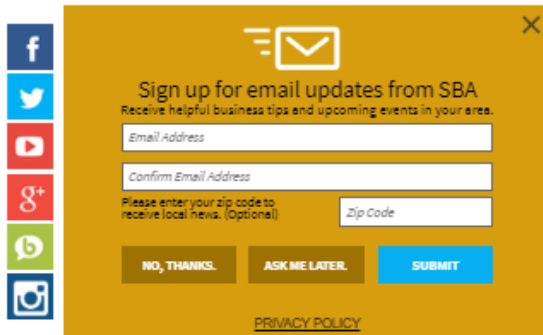
361-879-0017

www.sba.gov/tx/harlingen

Additional Info / Resources



- SBA YouTube Channel disaster video:
 - https://www.youtube.com/watch?v=Xm_ss5QmBAE
 - *NOTE: There are many videos on disaster applications, but all are not from the SBA. Beware!*



A screenshot of a sign-up form for SBA email updates. The form is titled "Sign up for email updates from SBA" and includes a sub-header "Receive helpful business tips and upcoming events in your area." It features three input fields: "Email Address", "Confirm Email Address", and "Zip Code" (with a note "Please enter your zip code to receive local news. (Optional)"). There are three buttons: "NO, THANKS.", "ASK ME LATER.", and "SUBMIT". A "PRIVACY POLICY" link is at the bottom. On the left side of the form, there are social media icons for Facebook, Twitter, YouTube, Google+, and Instagram.

- Sign up for email updates from SBA Lower Rio Grande Valley Newsletter
 - make sure you enter your zip code to receive local information.
 - <https://www.sba.gov/about-sba/sba-newsroom>
- Follow up on Twitter at
 - https://twitter.com/SBA_LRGV

