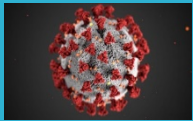


# SUMMARY

# CORONAVIRUS (COVID-19) RELIEF

# OPTIONS & RESOURCES FOR

# SMALL BUSINESS



April 15, 2020

LISC

**LISC has compiled the following summary of the relief options available for Small Businesses who are facing an unprecedented economic disruption due to the Coronavirus (COVID-19) outbreak.**

**Funding options include:**

- **Pandemic Unemployment Assistance (PUA)**
- **Paycheck Protection Program (PPP)**
- **Economic Injury Disaster Loan (EIDL) Emergency Advance**
- **SBA Express Bridge Loans**
- **SBA Debt Relief**
- **Non-profits are also now eligible to receive 7(a) guaranteed loans.**

**Note that this reflects LISC's best understanding of basic policies as of the date cited on the cover slide; we know that COVID-19 responses are rapidly-evolving and that implementation may vary significantly at the state and local levels. We will attempt to update, refine, and clarify this summary periodically as additional information and federal/state/local agency guidance becomes available.**

# Information Sources

## Agency/Office

- Small Business Administration (SBA)
- Department of Commerce
- Department of Treasury
- Economic Development Administration
- United States Department of Agriculture (USDA), Business and Industry Loan Guarantee Program
- Administration for Children and Families
- Department of Labor
- Health and Human Services
- Federal Housing Administration
- Consumer Finance

*Many of the policies summarized here are contained in the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020 which contains \$376 billion in relief for American workers and small businesses.*

# PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)

*BENEFITS FOR SELF-EMPLOYED AND GIG WORKERS*

# Pandemic Unemployment Assistance (PUA)

## *What is it?*

New federal law allows states to extend benefits provide an extra \$600 per week as well as an additional 13 weeks of benefits

## *Who qualifies?*

Self-employed and gig workers including independent contractors, sole proprietors.

# Pandemic Unemployment Assistance (PUA)

## *Can I apply?*

*You may be eligible if any of the following are true:*

- Your employer permanently or temporarily laid you off due to coronavirus
- Your employer reduced your work hours due to coronavirus
- You are self-employed and have lost income due to coronavirus
- You're quarantined and can't work due to coronavirus
- You're unable to work due to a risk of exposure to coronavirus
- You can't work because you're caring for a family member due to coronavirus

## *Where can I apply?*

[Find your state's Unemployment Insurance website](#)

[Resources for employers and businesses impacted by COVID-19](#)

# PAYCHECK PROTECTION PROGRAM (PPP)

*AN SBA LOAN THAT HELPS BUSINESSES KEEP THEIR WORKFORCE  
EMPLOYED DURING THE CORONAVIRUS (COVID-19) CRISIS*

# Paycheck Protection Program (PPP)

## *Loan Information*

- PPP is a loan designed to provide a direct incentive for small businesses affected by Coronavirus (COVID-19) 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. 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 1%.
- 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.
- PPP will be available through June 30, 2020



# Paycheck Protection Program (PPP)


## *Who Can Apply?*

- Sole proprietors, independent contractors, and self-employed persons
- Any small business concern that meets SBA's size standards \*
- 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of: 500 employees, or That meets the SBA industry size standard if more than 500
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location

*\*The SBA assigns a size standard to each NAICS code. Most manufacturing companies with 500 employees or fewer, and most non-manufacturing businesses with average annual receipts under \$7.5 million, will qualify as a small business. view these in [Title 13 Part 121.201 of the Code of Federal Regulations](#) (CFR) or in the [SBA's table of small business size standards](#).*

# Paycheck Protection Program (PPP)

## Where Can I Apply?



**Paycheck Protection Program  
Borrower Application Form**

OMB Control No.: 3245-0407  
Expiration Date: 09/30/2020

<b>Check One:</b> <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	<b>DBA or Tradename if Applicable</b> <div style="background-color: #e0e0ff; height: 40px; width: 100%;"></div>	
<b>Business Legal Name</b>		
<b>Business Address</b>		
<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>	
	( ) -	
<b>Primary Contact</b>		<b>Email Address</b>

Average Monthly Payroll:	\$		x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$		Number of Employees:	
Purpose of the loan (select more than one): <input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain):							

- Apply through any existing SBA 7(a) lender, any federally insured depository institution or Farm Credit System institution
- Download a copy of the [PPP borrower application form](#) to see the information that will be requested from you when you apply with a lender.
- [Find a Lender](#) eligible to issue a loan under the PPP.

# Paycheck Protection Program (PPP)

## *Lender Forms and Guidance*

- Lenders who need assistance accessing SBA's E-Tran system to process loan guarantee requests may call the *Lender Customer Service Line at 1-833-572-0502*.
- [Frequently Asked Questions for Faith-Based Organizations Participating in the Paycheck Protection Program and the Economic Injury Disaster Loan Program](#)
- [The Interim Final Rule](#) announcing the Paycheck Protection Program information is being posted in advance of publication in the Federal Register. The official version will appear in the Federal Register. [Click here](#) to download.
- [Click here](#) to view the Lender Agreement and enroll as a participating SBA Lender to make Paycheck Protection Program financing available to your customers.

**ECONOMIC INJURY**  
**DISASTER LOAN (EIDL)**  
**EMERGENCY ADVANCE**

*PROVIDES UP TO \$10,000 OF ECONOMIC RELIEF TO  
BUSINESSES THAT ARE CURRENTLY EXPERIENCING  
TEMPORARY DIFFICULTIES*

# Economic Injury Disaster Loan (EIDL) Emergency Advance

## *Loan Information*

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue.
- Funds will be made available within days of a successful application. Supportive documents include financial information for the owners of the business, recent tax returns for the business, any business liabilities.
- This loan advance ***will not have to be repaid.***

# Economic Injury Disaster Loan (EIDL) Emergency Advance

## *Who Can Apply?*

- Any small business 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 COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.

# Economic Injury Disaster Loan (EIDL) Emergency Advance

*For Business Owners: Think through a scenario where you do not grow in revenue over the next three months \**

- To keep at least 90% of your staff (*as of 2/1/2020*), what will payroll costs be?
- What fixed costs (*rent, utilities, etc.*) are not avoidable?
- What costs are discretionary that you can cut?
- What revenues have been maintained over the last two weeks (*e.g. if you are a restaurant, what has takeout business been like, versus dine-in*)? Who among your current customers are recurring and committed or extremely likely to renew?
- To prepare for survival, I would assume no new revenues in the next three months.

This exercise will help you as a business owner, and will also help you prepare to fill out SBA Form 1368, which is essentially a forecast of your future cash flow.

# Economic Injury Disaster Loan (EIDL) Emergency Advance

## *Where Can I Apply?*

- To apply for a COVID-19 Economic Injury Disaster Loan and loan advance, [click here](#).
- If you do not submit all the information requested, your loan cannot be fully processed.
- The estimated time for completing this entire application is two hours and ten minutes.



**SBA EXPRESS**  
**BRIDGE LOANS (EBL)**  
**PILOT PROGRAM**

*ENABLES SMALL BUSINESSES WHO CURRENTLY HAVE A BUSINESS  
RELATIONSHIP WITH AN SBA EXPRESS LENDER TO ACCESS UP TO \$25,000*

# SBA Express Bridge Loans (EBL)

## *Loan Information*

- [Express Bridge Loan Pilot Program](#) allows small businesses *who currently have a business relationship with an SBA Express Lender*.
- 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](#).
- If a small business has an urgent need for cash while waiting for decision and disbursement on an Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

# SBA Express Bridge Loans (EBL)

## *Terms*

Maximum loan amount	\$25,000
SBA guarantee %	50%
Maximum maturity	7 years
Program expiration date	September 30, 2020

- Fast turnaround and will be repaid in full or in part by proceeds from the EIDL loan

# SBA Express Bridge Loans (EBL)

*Who can apply and what is the underwriting process?*

**EBL loans may only be made to:**

- For Presidential Disaster Declarations, small businesses that were located, as of the date of the applicable disaster, in Primary Counties that were declared disaster areas under the Presidential Disaster Declaration or in any Contiguous Counties; or
- For the COVID-19 Emergency Declaration, small businesses located in any state, territory and the District of Columbia that have been adversely impacted by the COVID19 emergency.

**Lenders will consider the following:**

- A minimum acceptable credit score of 140 for the applicant issued by E-Tran upon submission of the loan application for screening
- A personal credit score for each guarantor
- Lenders must obtain a signed IRS Form 4506-T and an IRS tax transcript. For businesses in operation prior to the disaster but not long enough to have been required to file a tax return, lenders must provide an alternative to verify existence of the business.

For more information follow the [Express Bridge Loan Pilot Program Guide](#)

# SBA DEBT RELIEF

*FINANCIAL REPRIEVE TO SMALL BUSINESSES DURING  
THE COVID-19 PANDEMIC*

# SBA Debt Relief

## *Overview*

- The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for **a period of 6 months.**
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to **September 27, 2020**
- ***Additional Debt Relief*** - SBA Serviced Disaster (*Home and Business*) Loans: If your disaster loan was in “*regular servicing*” status on March 1, 2020, ***the SBA is providing automatic deferments through December 31, 2020***

# SBA Debt Relief

## *What does an “automatic deferral” mean to borrowers?*

- Interest will continue to accrue on the loan.
- 1201 monthly payment notices will continue to be mailed out.
- The deferment will NOT cancel any established Preauthorized Debit (PAD) or recurring payments.
- Borrowers that have established a PAD through Pay.Gov or an OnLine Bill Pay Service are responsible for canceling these recurring payments.
- Borrowers preferring to continue making regular payments during the deferment period may continue. SBA will apply those payments normally.
- After this automatic deferment period, borrowers will be required to resume making regular principal and interest payments.
- Borrowers that cancelled recurring payments will need to reestablish the recurring payment.

# SBA Debt Relief

*I have more questions!*

For questions about current SBA loan and whether or not your loan is automatically deferred, please contact your Loan Servicing Office:

Birmingham Disaster Loan Servicing Center:

Phone: 800-736-6048

Email: [BirminghamDLSC@sba.gov](mailto:BirminghamDLSC@sba.gov)

El Paso Disaster Loan Servicing Center:

Phone: 800-487-6019

Email: [ElPasoDLSC@sba.gov](mailto:ElPasoDLSC@sba.gov)



# ACCESS TO CAPITAL

*SMALL BUSINESS ADMINISTRATION (SBA)  
LOAN PROGRAMS OVERVIEW*

# Access to Capital

## *Loan Programs*

*While SBA itself does not make loans, it does guarantee loans made to small businesses by private and other institutions. Here is an overview of SBA's guaranteed loan programs*

- **Microloan program** involves making loans through nonprofit lending organizations to underserved markets. Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (*does not include real estate*). The maximum loan amount is \$50,000 with the average loan size of \$14,000.
- **504 loan program** is designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition or eligible refinance of fixed assets.

# Access to Capital

## *Loan Programs*

- **Community Advantage loan pilot program** allows mission-based lenders to assist small businesses in underserved markets with a maximum loan size of \$250,000. The uses of proceeds are the same as the standard 7(a) loan.
- **Express loan program** provides loans up to \$350,000 for no more than 7 years with an option to revolve. There is a turnaround time of 36 hours for approval or denial of a completed application. The uses of proceeds are the same as the standard 7(a) loan.
- **7(a) program** offers loan amounts up to \$5,000,000 and is an all-inclusive loan program deployed by lending partners for eligible small businesses within the U.S. States and its territories. The uses of proceeds include: working capital; expansion/renovation; new construction; purchase of land or buildings; purchase of equipment, fixtures; lease-hold improvements; refinancing debt for compelling reasons; seasonal line of credit; inventory; or starting a business.

**COMMON ISSUES**  
**SMALL BUSINESSES**  
**MAY ENCOUNTER**

# Common Issues for Small Businesses

- **Capital Access** – Financial capacity to make payroll, maintain inventory and respond to market fluctuations. Businesses should prepare by exploring and testing their capital access options .
- **Workforce Capacity** – Incidents have just as much impact on your workers as they do your clientele.
- **Inventory and Supply Chain Shortfalls** – Adequate supplies of inventory for a sustained period and/or diversify your distributor sources in the event one supplier cannot meet demand.
- **Facility Remediation/Clean-up Costs** – There may be a need to enhance the protection of customers and staff by increasing the frequency and intensity by which your business conducts cleaning of surfaces frequently touched by occupants and visitors.

# Common Issues for Small Businesses

- **Insurance Coverage Issues** – Many businesses have business interruption insurance; Now is the time to contact the insurance agent to review the policy
- **Changing Market Demand** – There may be access controls or movement restrictions established which can impede customers from reaching businesses. [SBA's Resources Partners and District Offices](#) have trained experts who can help to craft a plan to navigate any rapid changes in demand.
- **Marketing** – It's critical to communicate openly with customers about the status of operations, what protective measures business implemented, and how they (as customers) will be protected when they visit your business.
- **Plan** – Conduct a tabletop exercise to simulate potential scenarios and how the business management and staff might respond to the hypothetical scenarios. For examples of tabletop exercises, visit FEMA's website at: <https://www.fema.gov/emergency-planning-exercises>

# SMALL BUSINESS ADMINISTRATION

*LOCAL ASSISTANCE*

# Small Business Administration

## *Local Assistance*

*SBA works with a number of local partners to counsel, mentor, and train small businesses. The SBA has 68 District Offices, as well as support provided by its Resource Partners, such as SCORE offices, Women's Business Centers, Small Business Development Centers and Veterans Business Outreach Centers. When faced with a business need, use the [SBA's Local Assistance Directory](#) to locate the office nearest you.*



# ADDITIONAL INFORMATION

Agency/Office	Section	Description
Consumer Finance	Credit Protection During Covid-19	<p>Beneficiaries: Primary: Individuals with at-risk credit accounts</p> <p>Credit Protection During Covid-19</p> <p>Amends the Fair Credit Reporting Act and requires that furnishers of credit information, who agree to account forbearance, or agree to modified payments report such obligation or account as “current” or as the status reported prior to the accommodation during the period of accommodation unless the consumer becomes current. Applies only to accounts for which the consumer has fulfilled requirements pursuant to the forbearance or modified payment agreement. Credit protection is available beginning January 31, 2020, and ends at the later of 120 days after enactment or 120 days after the date the national emergency declaration is terminated.</p>
Small Business Development Centers	Entrepreneurial development	<p>Entrepreneurial development Beneficiaries: SBDC /WBC \$265 million for eligible resource centers to provide business counseling to increase business resiliency and access to resources to counter the effects of COVID-19. \$240 M in grants to the nation’s network of Small Business Development Centers (SBDCs) and \$20 M to Women’s Business Centers (WBCs), to provide mentorship, guidance and expertise to small businesses.</p>
Treasury	2020 recovery rebates for individuals	<p>Beneficiaries: Primary: U.S. residents</p> <p>\$1,200 per individual / \$2,400 married.</p> <p>Additional \$500 per child.</p> <p>2020 recovery rebates for individuals</p> <p>All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible social security number, are eligible for the full \$1,200 (\$2,400 married) rebate. Additional \$500 per child. This is true even for those who have no income, as well as those whose income comes entirely from non-taxable means-tested benefit programs, such as SSI benefits. For the vast majority of Americans, no action on their part will be required in order to receive a rebate check as IRS will use a taxpayer’s 2019 tax return if filed, or in the alternative their 2018 return. This includes many low-income individuals who file a tax return in order to take advantage of the refundable Earned Income Tax Credit and Child Tax Credit.</p>
Treasury	Bankruptcy	<p>Amends the Small Business Reorganization Act to increase the eligibility threshold to file under subchapter V of chapter 11 of the U.S. Bankruptcy Code to businesses with less than \$7.5M of debt</p>

Agency/Office	Section	Description
Department of Labor	Emergency State Staffing Flexibility	Beneficiaries: Individuals in the job market - Emergency State Staffing Flexibility - Provides states with temporary, limited flexibility to hire temporary staff, re-hire former staff, or take other steps to quickly process unemployment claims
Department of Labor, ETA, Office of Unemployment Insurance (UI)	Pandemic Unemployment Assistance	Beneficiaries: Unemployed individuals - Creates a temporary Pandemic Unemployment Assistance program through December 31, 2020 to provide payment to those individuals not traditionally eligible for unemployment benefits who are unable to work as a direct result of the coronavirus public health emergency.
Department of Labor, ETA, Office of Unemployment Insurance (UI)	Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations	Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations Provides payment to states to reimburse nonprofits, government agencies, and Indian tribes for half of the costs they incur through December 31, 2020 to pay unemployment benefits.
Department of Labor, ETA, Office of Unemployment Insurance (UI)	Emergency Increase in Unemployment Compensation Benefits	Beneficiaries: Unemployed individuals - Emergency Increase in Unemployment Compensation Benefits Provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance up to 4 months
Department of Labor, ETA, Office of Unemployment Insurance (UI)	Pandemic Emergency Unemployment Compensation (PUC)	Beneficiaries: Long term unemployed - PUC Provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after state unemployment benefits are no longer available.
Federal Housing Administration, GSEs, USDA, and VA	Temporary Moratorium on Eviction Filings	Beneficiaries: Renters Eviction Moratorium 120 days after the enactment of the bill, owners of certain rental properties may not initiate any legal action to evict a tenant for nonpayment of rent or charge any fees or penalties to a tenant for nonpayment of rent. Rental properties covered under this provision include properties financed with any housing program covered under the Violence Against Women Act and properties with federally backed mortgage loans (GSEs, FHA, USDA, VA). Importantly, these eviction preventions include single family properties (2-4 units) with federally backed mortgages. This does not cover multifamily properties with no debt or with no government backing, which is around half of the market.

Agency/Office	Section	Description
Federal Housing Administration, GSEs, USDA, and VA	Forbearance of Residential Mortgage Loan Payments for Multifamily Properties with Federally Backed Loans	Beneficiaries: Homeowners, Tenants - Multifamily borrowers of federally backed multifamily mortgage loans will be provided with up to 90 days of forbearance if they have experienced financial hardship. Applicable mortgage loans include those for properties intended for five or more families and insured, guaranteed, supplemented, protected, or assisted by HUD, USDA, Fannie Mae, or Freddie Mac. Borrowers under forbearance cannot evict tenants or charge late fees for the duration of the forbearance. Ends at the termination of the COVID-19 national emergency or December 31, 2020. Includes a mirror provision allowing for single-family loan forbearance. Modifies the Fair Credit Reporting Act by precluding furnishers of credit information from reporting loan assistance. Instead, furnishers will be required to continue reporting the consumer using the consumer's account status (i.e., current or delinquent) at the time that the loan assistance began.
Health and Human Services (HHS), Administration for Children and Families (ACF)	Division B, Title VIII,	Beneficiaries: Childcare providers - Child Care Development Block Grant (CCDBG) This funding will allow child care programs to maintain critical operations, including meeting emergency staffing needs and ensuring first responders and health care workers can access child care while they respond to the pandemic.
Health and Human Services (HHS), Administration for Children and Families (ACF)	Division B, Title VIII, p. 129	Beneficiaries: Childcare providers Head Start Providers Head Start Helps Head Start programs respond to the needs of children and families related to coronavirus and allows some of those funds to be used to operate supplemental summer programs through existing grantees.
HHS, Administration for Children and Families	Low Income Home Energy Assistance Program	Beneficiaries: Low-income households Low Income Home Energy Assistance Program \$900 million in grants to states to support immediate home energy assistance for low-income households affected by coronavirus.
HUD, Community Planning and Development	Section 8 Tenant-Based Rental Assistance	Section 8 Tenant-Based Rental Assistance These funds will preserve Section 8 voucher rental assistance for seniors, the disabled, and low-income working families, who will experience loss of income from the coronavirus.
USDA, Business and Industry Loan Guarantee Program	Rural Business Cooperative Service	This credit subsidy to make \$1 billion in lending authority available for the USDA Business and Industry Loan guarantee program to prevent, prepare for, and respond to coronavirus .
Department of Commerce	Economic Development Administration	EDA can fund market and environmental studies, planning or construction grants, and capitalize or recapitalize revolving loan funds (RLFs) to help provide small businesses with the capital they need to grow.

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