U.S. Small Business Administration

# COVID-19 Relief for Small Business

West Virginia District Office

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wvinfo@sba.gov

www.sba.gov/wv

Email Updates sba.gov/updates

SBA Customer Service (24/7) : 800 - 659 - 2955

# Economic Injury Disaster Loans

**SBA Disaster Customer Service Center**
**(800) 659-2955**
**Deaf or hard-of-hearing**
**(800) 877-8339**

**sba.gov/updates**

# SBA's Working Capital Disaster Loans

**Brief Overview**

- Apply covid19relief.sba.gov/#/
- There is no cost to apply
- There is no obligation to take the loan
- 1st payment deferred for 12 months
- Advance = $10K = 10+ employees or $1K/employee
- Available to existing disaster loan borrowers.

# SBA's Economic Injury Disaster Loan Terms

## What are the interest rates?

- Interest rates
  - Small Businesses 3.75%
  - Most Private, Non-Profits 2.75%
- Terms up to 30 years
- Repayment based on individual business' ability to repay

## How can I use the loan funds?

- Fixed debts (rent, utilities, etc.)
- Payroll
- Accounts payable

# Eligible

## Who Can Apply

Under 500 Employees and

- Small Business (all forms)
- Cooperatives
- Employee Stock Ownership Plan (ESOP)
- Tribal Small Business
- Aquaculture and Nursery businesses
- Private non-profit organization with IRS designation 501(c),(d), or (e
- Private non-profit doing business under State law
- Faith-based organizations
- Under SBA Size Standards

SBA Small Business Size Standards

# Ineligible

## Who Cannot Apply

- Illegal activity (as defined by Federal guidelines)
- Principal with a 50% + more than 60 days delinquent on child support
- Agricultural enterprise (unless otherwise approved)
- Displays of a prurient sexual nature (directly or indirectly)
- More than 1/3 of gross annual revenue from *legal* gambling activities
- Is in the business of lobbying
- Is a state, local, or municipal government or a member of Congress

# Primary Criteria for Approval

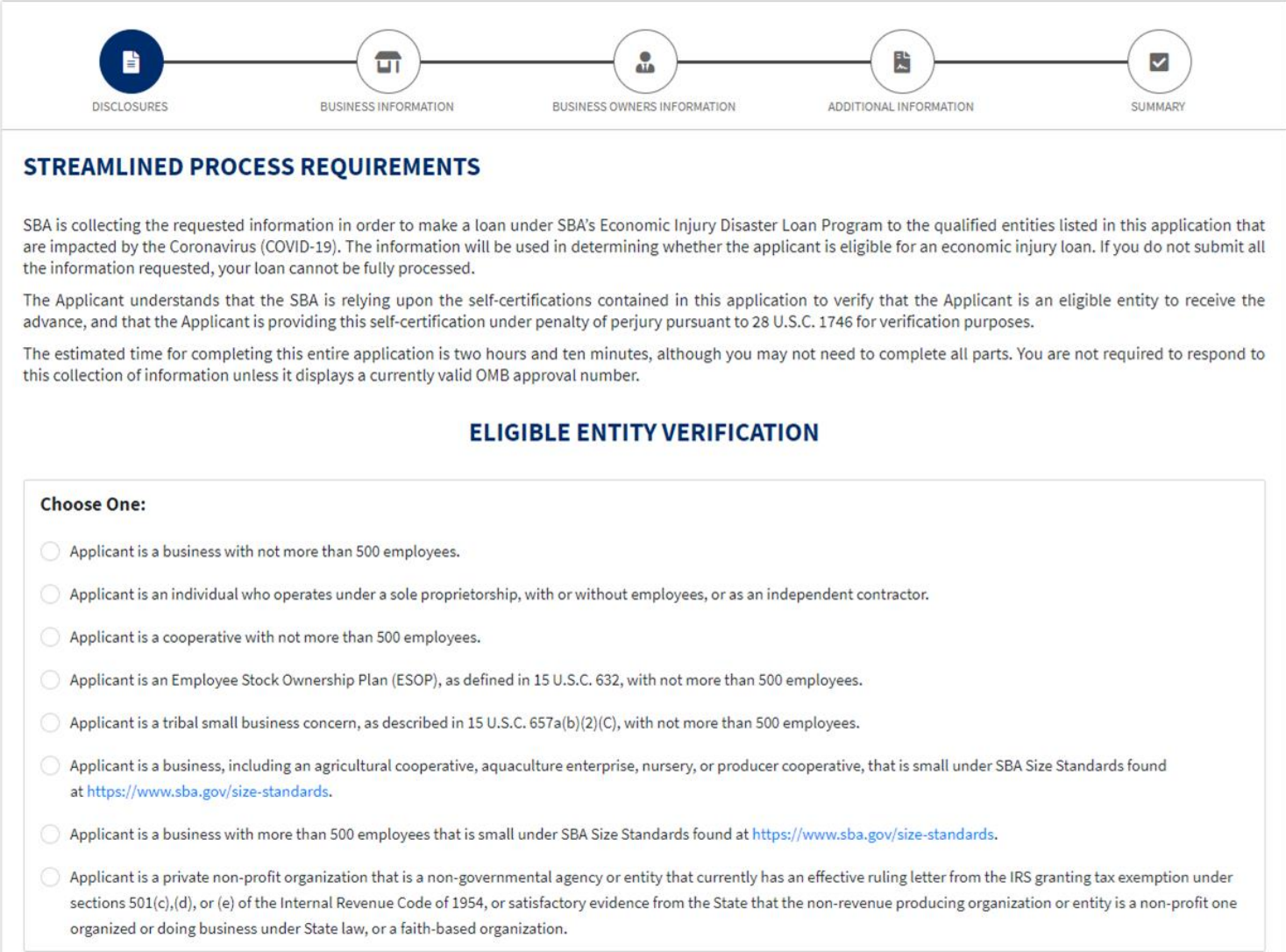
- Acceptable credit history
  - Will accept Credit Score of…
- Ability to repay the SBA loan
  - Determined on a case-by-case basis
  - Can your business, with your current debts, also repay this loan?

# Ineligible Uses of Loan

- Dividends or bonuses
- Payment to owners, unless for performance of services
- Repayment of stockholder/principal loans (with exceptions)
- Expansion of facilities, acquisition of fixed assets
- Repair or replacement of physical damages
- Refinancing long term debt
- Payment of federal debt except IRS
- Relocation

Other ineligible uses available online

# disasterloan.sba.gov



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 an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at https://www.sba.gov/size-standards.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at https://www.sba.gov/size-standards.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or 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, or a faith-based organization.

# Other Information Required

- Gross Revenues
- Number of employees
- Cost of Goods Sold
- Lost Rents (for rental property owners)
- Cost of Operating Expenses (for nonprofits)
- Other reimbursement (business interruption insurance)

If not applicable to your business, enter $0.

# Advance

Depends on Number of Employees

☐ I would like to be considered for an advance of up to $10,000.

## Where to Send Funds

Bank Name *

Account Number *

Routing Number *

**This loan advance is not repaid.**

# May Be Requested

**By Your Loan Processor**

- Personal Financial Statement (SBA Form 413)
- Schedule of Liabilities (SBA Form 2202)
- Federal income tax returns
- Year-end profit-and-loss statements and balance sheets
- Current year-to-date profit-and-loss statement
- Monthly sales figures.

# General Information

- Need more?  Ask for increase.
- Need less?  Request reduction.
- Denied? 6 months for reconsideration.

Phase I = 2 months of working capital, maximum $15K

**When in doubt, apply!**

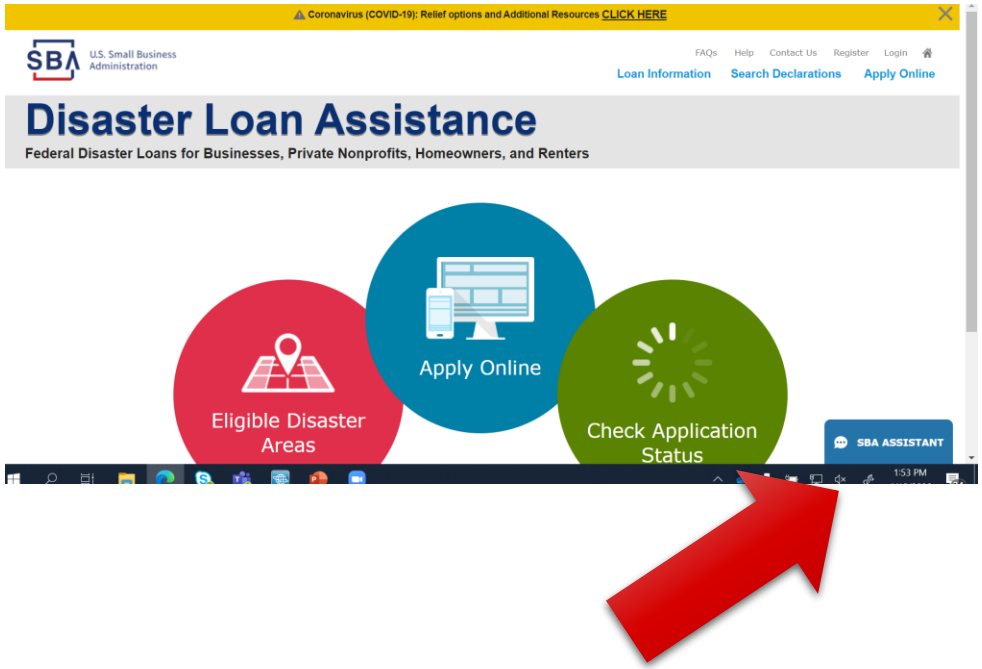
# EIDL FAQs

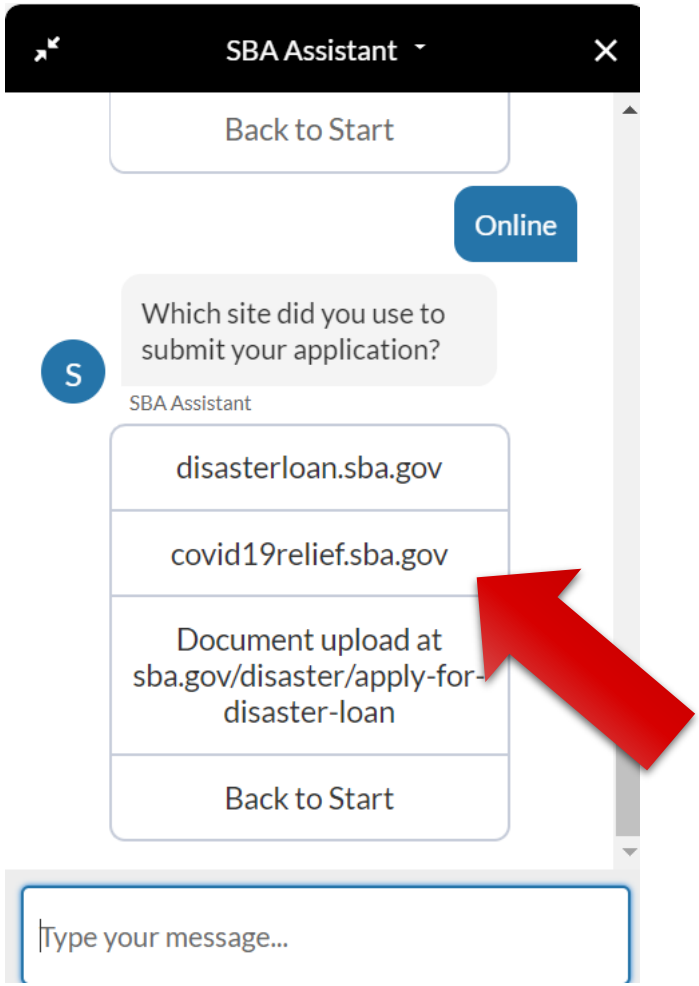
**How can I check on my loan status?**

- Check in with the **SBA Assistant** at https://disasterloanassistance.sba.gov/s/
- Mailed Application? SBA Customer Service 1-800-659-2955.
- Emailed Application? **Re-apply** at covid19relief.sba.gov
- Old portal & no communication? **Re-apply** covid19relief.sba.gov
- Streamlined COVID-19 portal? SBA will contact you.

Otherwise, call Customer Service: 1-800-659-2955

# Find the SBA Assistant



# You are in the wrong place…

⚠ Coronavirus (COVID-19): Relief options and Additional Resources CLI

U.S. Small Business Administration

Loan

# Disaster Loan Assistance

**Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters**

Login | Register | Password Reset

## Disaster Loan Assistance - Login

*User Name

User Name

*Password

Password

Login ▶

**System Requirements**

The recommended browser is Internet Explorer 10 or later.

- If you have dial-up Internet service, you may experience delays.
- You must have cookies and JavaScript enabled.
- You should allow pop-up messages.
- You must have Adobe Reader installed.

**Notice - T**

This is a Federal computer system and is the property of
(authorized or unauthorized) have no explicit or implicit e
stored on this system, including e-mail, Internet, and int
devices and output media) and all files on this system m
copied, audited, and/or inspected by authorized Small
General (OIG), and/or other law enforcement personnel,
foreign.

Access or use of this computer system by any person,
interception, monitoring, reading, capturing, recording, d
authorized SBA personnel, law enforcement personnel (
both domestic and foreign. Unauthorized use of, or exc
constitute a violation of 18 U.S.C. § 1030 or other Fede
administrative action. By continuing to use this system,
conditions and acknowledge that there is no reasonable ex

# Paycheck Protection Program

# PPP

## Brief Overview

- The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits
- Funds can also be used to pay interest on mortgages, rent, and utilities
- Entire loan amount may be forgiven

# Important Details

- Up to $10M

- Fewer than 500 employees and
  - Small business
  - Non-profits (501c3)
  - Veterans organizations  (501c19)
  - Tribal businesses (31b2C)
  - Sole proprietorships/Self-employed/Independent contractors

- Started April 3 & April 10
- Available until June 30
- Apply through Lenders

SBA Size Standards

# Ineligible

- Engaged in any illegal activity
- Engaged in bankruptcy
- An owner with more than 20% is subject to formal criminal charges or presently incarcerated or on probation or parole
- Currently delinquent or defaulted within the last 7 years, on a direct or guaranteed loan from SBA or any other federal agency
- Suspended or Debarred
- Otherwise ineligible in SBA Standard Operating Procedure 50 10 5(K)

# Payroll Costs (75%)

**8 Weeks**

1. Salary, wages, commissions, tips
2. Employee benefits
3. State and local taxes

<u>How to Calculate</u>

- Most? Average monthly-- 2019
- Sole proprietor? Wages, commissions, income, or net earnings
- Seasonal? Average monthly-- Feb 15 and Jun 30
- New Business? Average monthly Payroll Costs-- Jan 1 to Feb 29
- All must be under $100K
- Do not include employer's share of payroll tax.

# Other Eligible Costs (25%)

## Obligated Before February 15

- Rent
- Utilities
- Interest on mortgage *("any other debt obligations that were incurred before Feb 15" [see page 15 of interim rule])**

# Lenders Will Verify

## Documentation

1. Your business was in operation on February 15
2. Your business had employees
3. Verify average monthly payroll costs

# Other Requirements

- Collateral required?  NO
- Personal Guaranty?  NO
- SBA Fees?  NO
- Agent fees?  NO

# Forgivable

## 3 Conditions

1. Loan proceeds covered approved costs
2. Employee numbers maintained
3. Compensation levels are maintained

# How to Request Loan Forgiveness

- Submit a written request to your lender.
- Request should include documents verifying:
  - Full Time equivalent employees
  - Employee pay rates,
  - Interest Payments on eligible mortgages
  - Payments on lease
  - Payments on utilities
- Lender has 60 days to reply

# If Your Loan Is Not Forgiven

- 2-year repayment term
- 1% interest rate
- 6 months deferral
- Interest will accrue 6-month period
- No prepayment penalties

# Other Questions

## Will NOT Make Ineligible

- Business or any owner have common management with any other business?
  - If yes, attach a listing of all Affiliates and describe the relationship as Addendum A.

- Has the Business received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020?
  - If yes, provide details on a separate sheet identified as Addendum B.

# How Much Can I Request?

1. Aggregate payroll costs from the past 12 months or calendar year 2019
2. Subtract cash compensation in excess of an annual salary of $100K
3. Calculate average monthly payroll costs ÷ 12
4. Multiply average payroll costs by 2.5

Annual Payroll = $120,000
Average Mo. Payroll = $10,000
Multiply by 2.5 = $25,000
**Maximum Loan = $25,000**

# If you received an EIDL loan between January 31 and April 3 and used it for Payroll Costs…

Your PPP loan must be used to refinance your EIDL loan.

Example with EIDL Loan

Annual Payroll = $120,000
Average Mo. Payroll = $10,000
Multiply by 2.5 = $25,000
Add EIDL Loan = $10,000
**Maximum Loan = $35,000**

EIDL Advance is NOT included.

# How Do I Apply?

## Finding An Approved Lender

- Contact your local bank and ask if they're participating.
- If they are not, go to www.sba.gov/wv and click on WV Resource Guide and identify another lender who may be accepting application from new customers.
- See a full list of SBA lenders are listed on pages 27-32.
- Each District Office has a state Resource Guide with similar information.

# FAQs

**Do I have to choose one or the other?**

No. You can apply for both. You just cannot use funds from both programs for the same purpose.

PPP available through June 30, 2020

EIDL available through December 2020

# FAQs

**What rules can I and my lender rely on, as the Final Rules have not been published?**

"The U.S. Government will not challenge any lender PPP actions that conform to this guidance [i.e. the April 8 **FAQ**] and to the **PPP Interim Final Rules…"**

**How much calculating does my lender have to do when I submit my request?**

"Providing an accurate calculation of payroll costs is the responsibility of the borrower, and the borrower must attest to the accuracy of those calculations. Lenders are expected to perform a good faith review, in a reasonable time, of the borrower's calculations and supporting documents. The level of diligence by a lender should be informed by the quality of the supporting documents supplied by the borrower."

Treasury FAQs for Lenders

# SBA Debt Relief

# Current Debt Relief

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

The SBA will pay 6 months principal and interest of

1. **Current 7(a) loans**
2. **New 7(a) loans** issued prior to Sep 27, 2020
3. **504 loans** (lender portion)
4. **SBA microloans**

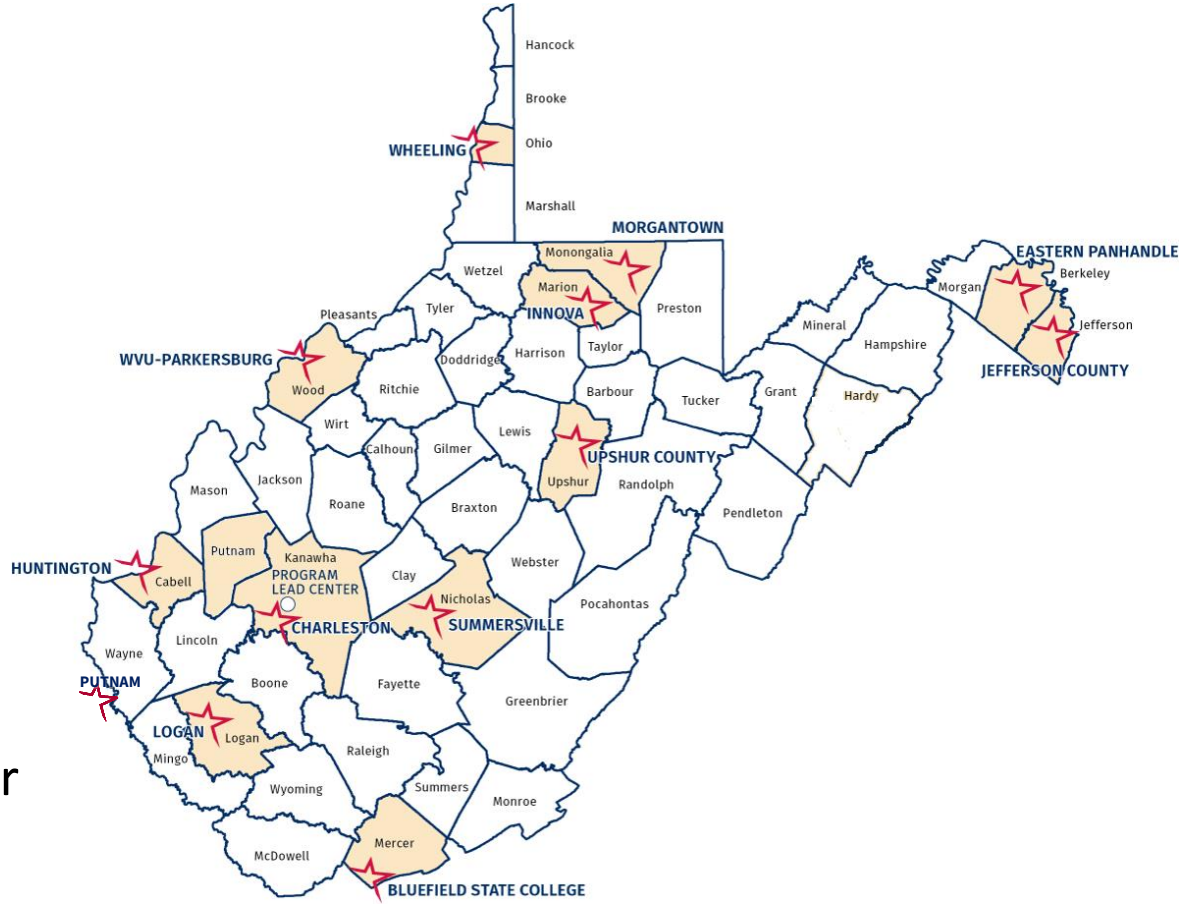
**Contact your lender to get in line.**

# Assistance From SBA Partners

- Small Business Development Centers (SBDCs)
- Women's Business Centers (WBC)
- Veteran's Business Outreach Centers
- SCORE

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

# West Virginia Small Business Development Center




- Assistance in calculations needed for application
- Advice for business continuity
- Marketing advice during the pandemic

WVSBDC.com/Coaches

# West Virginia District Office

## WEST VIRGINIA DISTRICT OFFICE

SBA.gov » Local Assistance » District Office List » West Virginia

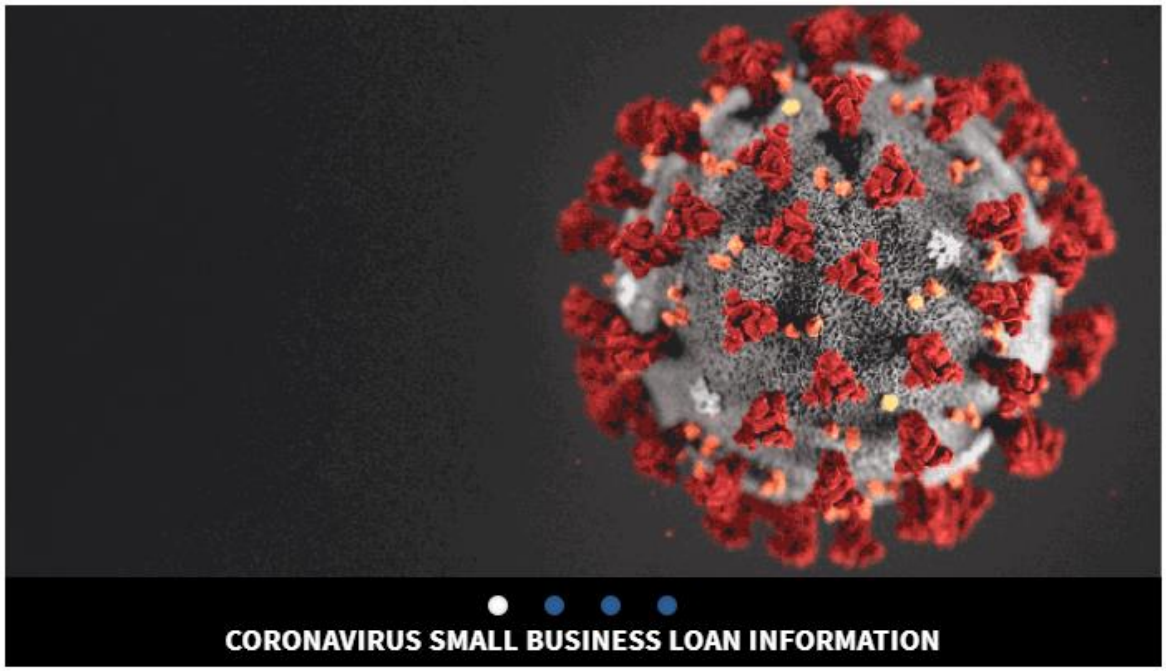
**West Virginia District Office**
320 West Pike Street Suite 330
Clarksburg, WV
Phone: 304-623-5631

**Locations:**
Clarksburg | Charleston

**About Us**
The West Virginia District Office is located at 320 West Pike Street, Suite... MORE >>

**District Director:** Karen Friel
Office Directory

**Resource Guide**
West Virginia District Office Resource Guide
National Resource Guide (En Español)



| Question | Economic Injury Disaster Loan | Payroll Protection Program |
|---|---|---|
| Application | disasterloan.sba.gov | Contact your lender |
| Eligibility | Under 500 employee and a:<br>• Small Business<br>• Sole Proprietor<br>• Cooperatives includes agricultural cooperative<br>• Employee Stock Ownership Plan (ESOP)<br>• Tribal small business<br>• Aquaculture and nursery business<br>• 501(c), (d), or (e) nonprofits<br>• State-based private non-profit<br>• Faith-based organization<br>• Business under SBA Size Standards | Under 500 employers and a:<br>• Small Business<br>• 501c3 Nonprofit<br>• 501c19 Veteran's Organization<br>• 31b2C Tribal Business<br>• Sole proprietorship<br>• Self-employed<br>• Independent contractor |
| Approved Uses | Working Capital, which includes:<br>• Fixed debts (rent, utilities, etc.)<br>• Payroll<br>• Accounts payable<br>• Some bills that could have been paid had the disaster not occurred | • 8-Weeks of payroll costs<br>• Rent, Utilities, Interest on Debts |
| Terms | • 3.75%<br>• Up to 30 years | • Forgivable if used for 75% payroll costs and 25% for rent, utilities, interest costs<br>• If not forgiven, 1% interest for 2 years |

# Quick Links

- Economic Injury Disaster Loan & Advance Information
- EIDL Application
- WV Resource Guide Lender List (Pages 27-32)
- Faith Based Information

# QUICK LINKS

**Where to Find the Latest Information**

- Find an Eligible Lender
- P3 Borrower Information
- P3 Lender Information
- P3 Borrower Application
- P3 Interim Rules

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