



U.S. Small Business  
Administration

# Agenda

- 1. Non-Monetary Assistance  
from the US SBA and our Partners**
- 2. Financial Assistance from the US SBA  
for Small Businesses and Non-Profits**
- 3. Additional Resources**

***These Slides are available to download at:  
[www.sba.gov/tx/houston](http://www.sba.gov/tx/houston)***

# **Non-Monetary Assistance**

# Important Non-Monetary Assistance from SBA

## SBA has three local Resource Partners

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors
- The WBEA Women's Business Center (WBC)

## 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

# Contact Information

<p>Small Business Development Center 713-752-8444 <a href="http://www.sbdc.uh.edu">www.sbdc.uh.edu</a></p>	<p>Houston SCORE 713-487-6565 <a href="http://www.houston.score.org">www.houston.score.org</a></p>
<p>Women's Business Center 713-681-9232 <a href="http://www.wbea-texas.org/womens-business-center">www.wbea-texas.org/womens-business-center</a></p>	<p>U.S. Small Business Administration 713-773-6500</p> <p><b>SIGN-UP FOR EMAIL UPDATES:</b> <a href="http://www.sba.gov/tx/houston">www.sba.gov/tx/houston</a></p> <p><b>FOLLOW US ON TWITTER:</b> @SBA_Houston</p>

# **Financial Assistance From the US SBA**

# Forbearance of Your Existing SBA Loan

## 7(a) Loans and Micro Loans

- 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

- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less

## Existing Disaster Loans

- SBA will defer existing loan payments through December 31, 2020 automatically.
- Borrowers of home and business disaster loans do not have to contact SBA to request deferment.

# The CARES Act

- Signed into law Friday, March 27, 2020
- SBA policy regarding the CARES Act is not yet complete
- You should read for yourself
- We can not offer legal interpretation of the Act
- We can not comment on portions of the Act unrelated to US SBA
- The complete CARES Act is located here:
- <https://www.congress.gov/bill/116th-congress/house-bill/748/text>



# The CARES Act

## DIVISION A—KEEPING WORKERS PAID AND EMPLOYED, HEALTH CARE SYSTEM ENHANCEMENTS, AND ECONOMIC STABILIZATION TITLE I—KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT

Sec. 1101. Definitions.

Sec. 1102. Paycheck protection program.

Sec. 1103. Entrepreneurial development.

Sec. 1104. State trade expansion program.

Sec. 1105. Waiver of matching funds requirement under the women's business center program.

Sec. 1106. Loan forgiveness.

Sec. 1107. Direct appropriations.

Sec. 1108. Minority business development agency.

Sec. 1109. United States Treasury Program Management Authority.

Sec. 1110. Emergency EIDL grants.

Sec. 1111. Resources and services in languages other than English.

Sec. 1112. Subsidy for certain loan payments.

Sec. 1113. Bankruptcy.

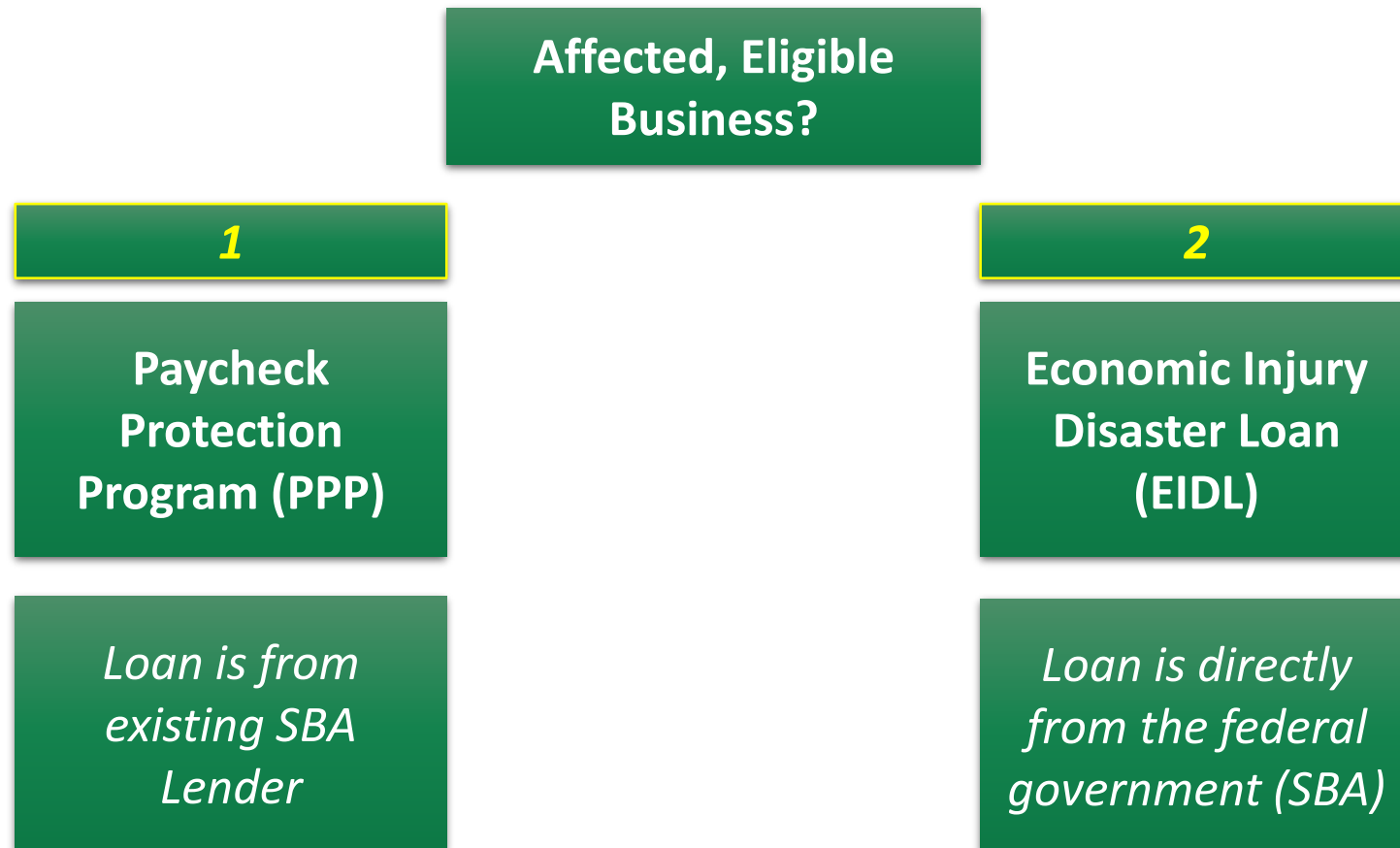
Sec. 1114. Emergency rulemaking authority.

# Changes Since Last Week

Passage of the

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Gives Businesses **TWO** Choices for Relief



# EIDL Loans

## Official Statement on SBA website

- Small Business Owners are eligible to apply for EIDL due to COVID-19; business must have started prior to Jan 31 2020
- The CARES Act provides additional assistance for small business owners, including the opportunity to receive up to a \$10,000 Advance on an EIDL
- *The SBA is updating our system to implement this provision so small businesses can request an EIDL Advance when they apply for the loan. **This update will be available in the coming days.***
- In the interim you can still apply for a full EIDL, but will need to reapply for the Advance when the system is updated with a streamlined application.

# Economic Injury Disaster Loans (EIDL)



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



3.75% interest rate for small businesses; 2.75% for private non-profits.



Long-term repayments up to 30 years



Small businesses, Small Ag cooperatives, and private non-profits are eligible



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



May be approved solely on the applicant credit score.



Shall not require tax return or tax return transcript for approval.



May also use alternative methods to determine an applicant's ability to repay.

# Additional EIDL Details

No cost to apply; No obligation to take the loan (if offered)

Amount is determined by SBA from your information

Existing SBA Disaster or Business loans do not make you ineligible

Personal guarantee requirements:

- None if loan is under \$200,000
- If over \$200,000 then guarantee from all 20% or greater owners

Credit Elsewhere – requirement is waived by CARES Act

Collateral:

- If over \$25,000 EIDLs require collateral
- SBA will not decline for lack of collateral, but requires the pledge of what is available
- Does not require primary residence in Texas

# EIDL Emergency Grant

- Until Dec 31, 2020 affected small businesses may request an advance of not more than \$10,000
- Eligibility is determined by self-certification
  - under penalty of perjury pursuant to section 1746 of title 28 United States Code
- Payment should occur within 3 days
- Repayment is not required even if subsequently denied a loan
- Advance may be used to any purpose described in section 7(b)(2) of the Small Business Act ([15 U.S.C. 636\(b\)\(2\)](#)), including:
  - paid sick leave to employees unable to work due to the direct effect of the COVID-19
  - payroll to retain employees
  - increased costs to obtain materials unavailable due to interrupted supply chains
  - rent or mortgage payments
  - obligations that cannot be met due to revenue losses

**NOTE:** An applicant may receive an EIDL Loan and a PPP loan as long as the costs being paid with each are different (no "double-dipping").

# How to Apply for EIDL

- **Works on iPhone with Safari / Chrome on Android**
- **If PC; works best with Internet Explorer or Microsoft Edge**
- For the COVID-19 disaster everything is online
- The website for applying for EIDL is [www.sba.gov/disaster](http://www.sba.gov/disaster)
- You may also contact the SBA disaster customer service center:
  - 1-800-659-2955
  - e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)
  - TTY: 1-800-877-8339



# Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

## 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 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.

### **Review and Check All of the Following:**

Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- Applicant is not in the business of lobbying.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

# Business Information (1 of 2)

Step 1 of 3

## Business Information

Business Legal Name \*

Trade Name \*

EIN/SSN for Sole Proprietorship \*

Organization Type \*

Is the Applicant a Non-Profit Organization? \*

Yes  No

Is the Applicant a Franchise? \*

Yes  No

Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \*

Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \*

Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster

Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) for All Secular Social Services Provided by the Faith Based Entity

List the Secular Social Services Provided by the Faith Based Entity

# Business Information (2 of 2)

Compensation From Other Sources Received as a Result of the Disaster	
<input type="text"/>	
Provide Brief Description of Other Compensation Sources	
<input type="text"/>	
Primary Business Address (Cannot be P.O. Box) *	
<input type="text"/>	
City *	
<input type="text"/>	
State *	
<input type="text"/>	
County	
<input type="text"/>	
Zip *	
<input type="text"/>	
Business Phone *	
<input type="text"/>	
Alternative Business Phone	
<input type="text"/>	
Business Fax	
<input type="text"/>	
Business Email *	
<input type="text"/>	
Date Business Established *	
<input type="text" value="mm/dd/yyyy"/>	
Current Ownership Since *	
<input type="text" value="mm/dd/yyyy"/>	
Business Activity *	
<input type="text"/>	
Detailed Business Activity*	
<input type="text"/>	
Number of Employees (As of January 31, 2020) *	
<input type="text"/>	

# Owner Information

## Business Owners Information

Is Your Business Owned by a Business Entity? \*

Yes  No

## Individual Owner/Agent(s)

### Owner/Agent 1

First Name \*

Last Name \*

Mobile Phone \*

Title / Office \*

Ownership Percent \*

Email \*

SSN \*

Birth Date \*

Place Of Birth \*

U.S. Citizen \*

Yes  No

U.S. Citizen \*


Yes  No

Residential Street Address \*

City \*

State \*

Zip \*

 Add Additional Owner

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Next >

# Additional Information (1 of 2)

Step 3 of 3

## Additional Information

In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?  Yes  No

Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?  Yes  No

a. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?  Yes  No

b. Have you been arrested in the past six months for any criminal offense?

c. For any criminal offense - other than a minor vehicle violation - have you ever been convicted, plead guilty, plead nolo contendere, been placed on pretrial diversion, or been placed on any form of parole or probation (including probation before judgment)?

If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must enter their information below.

Individual Name

Name of Company

Phone Number

Street Address, City, State, Zip

Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above.  Yes  No

# Additional Information (2 of 2)

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

## Where to Send Funds

Bank Name \*



Account Number \*



Routing Number \*



On behalf of the individual owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan. I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

**CERTIFICATION AS TO TRUTHFUL INFORMATION:** By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

**WARNING:** Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

I hereby certify **UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES** that the above is true and correct.



# After Applying

## Loan Processing Decision

- Information verified; credit checked; you may be asked for more info
- Forecasts completed to determine the EIDL amount
- A loan officer contacts you; makes recommendations
- Decision normally takes up to 4 weeks

## Loan Closes and Funds Disbursed

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

## Important Final Notes About EIDL Applications

- 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 get six months to provide a written reconsideration request with new / supplemental information
  - If denied a second time, you get 30 days to appeal again
- Please complete and submit *everything* required

# PPP Loans

# PPP Summary

## Program Overview

The Paycheck Protection Program is designed to provide a direct incentive for small businesses to keep their workers on payroll by providing each small business a loan up to \$10 million for payroll and certain other expenses.

If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable.

## Eligibility

Businesses – including eligible non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors described in the Small Business Act – with 500 or fewer employees may apply.

Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.

# PPP Loan Programs Are Being Created

- Policy and Programs are being created as fast as we can
- During later webinars we will be able to share more detail
- In the meantime we refer you back to the Act itself for relevant details
- <https://www.congress.gov/bill/116th-congress/house-bill/748/text>
  - Section 1102 is about the PPP Program; Less than 10 pages

# PPP Loans Are From Existing SBA Lenders

- Who Are the Houston District SBA Lenders?
  - Apx. 200 SBA Lenders in the Houston District
  - They may be able to advise you as to the details of the PPP loans
  - A list of SBA lenders in the Houston District can be found at [www.sba.gov/tx/houston](http://www.sba.gov/tx/houston) under Coronavirus Resources



# **Non-SBA Additional Info**

## Additional Info / Resources

- JP Morgan Chase and Regions Bank programs
- Texas Restaurant Association Grant Program
- Galveston EDA Short-term Loan Program: <https://bit.ly/2UrL001>
- Your existing bank may do their own bridge loans
- Non-Government Organizations (NGO)
- *More coming...*



# Contact Information

<p>Small Business Development Center 713-752-8444 <a href="http://www.sbdc.uh.edu">www.sbdc.uh.edu</a></p>	<p>Houston SCORE 713-487-6565 <a href="http://www.houston.score.org">www.houston.score.org</a></p>
<p>Women's Business Center 713-681-9232 <a href="http://www.wbea-texas.org/womens-business-center">www.wbea-texas.org/womens-business-center</a></p>	<p>U.S. Small Business Administration 713-773-6500</p> <p><b>SIGN-UP FOR EMAIL UPDATES:</b> <a href="http://www.sba.gov/tx/houston">www.sba.gov/tx/houston</a></p> <p><b>FOLLOW US ON TWITTER:</b> @SBA_Houston</p>

# Small Business Scam & Fraud Scheme Advisory

- SBA **does not** initiate contact on either 7a or disaster loans or grants.
- If someone contacts you promising to get approval of an SBA loan, but requires any payment up front, suspect fraud.
- Look out for phishing attacks/scams utilizing the SBA logo.
- Verify all correspondence you receive; referenced application number is consistent with your actual application number.
- SBA limits the fees a broker can charge a borrower.
- Any email communication from SBA will come from accounts ending with **gov**.
- The presence of an SBA logo on a webpage **does not** guaranty the information is accurate or endorsed by SBA.
- Report any suspected fraud to OIG's Hotline at 800-767-0385 or online at, <https://bit.ly/2UxdAhL>

# Common Questions

## “I Already Applied for EIDL...”

**This Email Sent March 30 To All That Applied Before March 30**

We know you are facing challenging times in this current health crisis. The U.S. Small Business Administration is committed to help bring relief to small businesses and nonprofit organizations suffering because of the Coronavirus (COVID-19) pandemic.

On March 27, 2020, President Trump signed into law the CARES Act, which provided additional assistance for small business owners and non-profits, including the opportunity to get **up to a \$10,000 Advance on an Economic Injury Disaster Loan (EIDL)**.

This **Advance** may be available even if your **EIDL** application was declined or is still pending, and **will be forgiven**.

**If you wish to apply for the Advance on your EIDL, please visit [www.SBA.gov/Disaster](http://www.SBA.gov/Disaster) as soon as possible to fill out a new, streamlined application. In order to qualify for the Advance, you need to submit this new application even if you previously submitted an EIDL application. Applying for the Advance will not impact the status or slow your existing application.**

Also, we encourage you to subscribe to our email updates via [www.SBA.gov/Updates](http://www.SBA.gov/Updates) and follow us on Twitter at [@SBAgov](https://twitter.com/SBAgov) for the latest news on available SBA resources and services. If you need additional assistance, you can find your local SBA office and resource partners at [www.SBA.gov/LocalAssistance](http://www.SBA.gov/LocalAssistance). If you have questions, you may also call 1-800-659-2955.

# Common Questions

- Details on PPP.
  - *We can't answer them today but will be able to soon. Policy is being created as we speak*
- Which loan should I apply for EIDL or PPP?
  - *Only the business owner can make that decision. Our network of local, free resources can help with your decision.*
- Can I apply for both EIDL and PPP?
  - *YES; however, you cannot duplicate benefits received.*
- Are EIDL loans forgiven?
  - *NO, but the Advance is a grant (is forgiven)*
- I have already submitted my EIDL application can I submit for the PPP loan?
  - *YES, so long as you don't duplicate benefits included in the EIDL.*
- Can I check status of my application online?
  - *YES, soon; email or phone*
- What banks are offering PPP loans?
  - *PPP is brand new – Lenders are learning as fast as they can. We do not know of any currently offering PPP loans. The list of lenders is at [www.sba.gov/tx/Houston](http://www.sba.gov/tx/Houston).*