



U.S. Small Business
Administration

Important Update

Notice: Lapse in Appropriations

SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding.

Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding.

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***

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

Financial Assistance From the US SBA

SBA Debt Relief

7(a), 504, & Microloans

- The SBA will automatically pay the principal, interest, and fees of **current 7(a), 504, and microloans** in regular servicing status for a period of six months.
- If Lender receives a payment from a Borrower after March 27, 2020, they must inform Borrower it has the option of: Lender either returning the payment or applying the payment to further reduce the balance.

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.

EIDL Loans

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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



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.

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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

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

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PPP Loans

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Payroll Protection Program (PPP)

- Intended to help small businesses with payroll and other operating expenses.
- SBA will forgive the portion of the loan proceeds used to cover:
 - The first eight weeks of payroll costs
 - Rent
 - Utilities
 - Mortgage interest
- More details here:
 - <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>

PPP Eligibility

- Small business affected by COVID-19 with less than 500 employees, including
 - sole proprietorships, independent contractors, self-employed persons
 - private non-profit organization
 - 501(c)(19) veteran organizations
- Certain businesses may have more than 500 employees if they meet [SBA's size standards](#) for those industries
- Hospitality and food industry businesses with more than one location:
 - could be eligible at the store and location level if store employs less than 500 workers
 - This means each store location could be eligible

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Loan Details & Forgiveness

- Details:
 - Maturity of 2 years; interest rate of 1%
 - Payments deferred for six months
 - No collateral or personal guarantees required
 - The Government nor lenders will charge small businesses any fees
- Forgiveness is:
 - Based on employer maintaining or quickly rehiring employees and maintaining salary levels
 - Reduced if full-time headcount declines or if salaries and wages decrease
 - Fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities
 - At least 75% of the forgiven amount must have been used for payroll

How to Apply for PPP

- Apply through existing SBA 7(a) lenders – Apx 200 in the Houston District
 - Other lenders will be added as necessary
- Lenders have begun processing applications as of April 3, 2020
- Check with your existing lender, or
- List of SBA Lenders is at www.sba.gov/tx/houston under “corona virus”



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Documents Needed - PPP

Borrowers must submit documentation to establish eligibility such as:

- payroll processor records
- payroll tax filings
- If sole proprietorship, form 1099-MISC or income and expenses.

For borrowers that do not have such documentation, must provide:

- other supporting documentation
- such as bank records
- sufficient to demonstrate the qualifying payroll amount.

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Non-SBA Additional Info

Additional Info / Resources

- See your existing bank – they may have non-SBA programs to help
- LiftFund Program
- Texas Restaurant Association Grant Program
- Galveston EDP Short-term Loan Program: <https://bit.ly/2UrL001>
- Harris County Small Business Loans Program
- Allied Arts Grant program for artists
- Wounded Warrior
- Non-Profit Organization Assistance
- *More coming...*

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Small Business Scam & Fraud Scheme Advisory

- The presence of an SBA logo on webpage or correspondence **does not** guarantee the information is from the SBA
- If someone contacts you promising to get approval of an SBA loan, but requires any payment up front, **suspect fraud**
- Any email communication from SBA will end with **gov**
- Report any suspected fraud to OIG's Hotline at 800-767-0385 or online at, <https://bit.ly/2UxdAhL>

Most Common Questions

For questions about your specific situation

- *For the EIDL Loan; SBA Disaster Customer Service:*
 - 1-800-659-2955 -- TTY: 1-800-877-8339
 - e-mail disastercustomerservice@sba.gov
- *For the PPP Loan:*
 - Contact the SBA lender of your choice
 - Lender list at www.sba.gov/tx/Houston under Coronavirus Resources
- *One of our Resource Partners for general guidance:*
 - Texas Gulf Coast SBDC 713-752-8444 www.sbdc.uh.edu
 - Houston SCORE 713-487-6565 www.houston.score.org
 - Women's Business Center 713-681-9232 www.wbea-texas.org/womens-business-center

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