

U.S. Small Business Administration

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Agenda

1. SBA assistance for Small Businesses and private Non-Profits



2. Resource Assistance from the SBA and our Partners

These slides will be made available to download at: www.sba.gov/tx/sanantonio



The CARES Act

https://www.congress.gov/bill/116th-congress/house-bill/748/text

- Signed into law Friday, March 27, 2020
- SBA policy regarding the CARES Act is not yet complete
- We can not offer legal interpretation of the Act
- We can not comment on portions of the Act unrelated to the SBA

Economic Injury Disaster Loans (EIDL)



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



Small businesses and private non-profits are eligible



3.75% interest rate for small businesses



2.75% for private non-profits



Long-term repayments for COVID crisis will be 30 years



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



Additional EIDL Details

No cost to apply

No obligation to take the loan (if offered)

Not intended to replace lost sales/profits or for expansion

Amount is determined by SBA from the information you provide

Existing SBA Disaster or Business loans do NOT make you ineligible

Loans can not be consolidated



Additional EIDL Details

Personal guarantee requirements:

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

Collateral

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

Credit Elsewhere – requirement is waived by CARES Act



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

How to Apply for EIDL

- Works best with Internet Explorer or Microsoft Edge
- For the COVID-19 disaster everything will be online
- Disaster Declaration #: TX-00544
- The website for applying for EIDL is https://covid19relief.sba.gov/
- You may also contact the SBA disaster customer service center:
 - 1-800-659-2955
 - e-mail <u>disastercustomerservice@sba.gov</u>
 - TTY: 1-800-877-8339





Expiration Date: 09/30/2020



Disaster Loan Assistance

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

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



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.

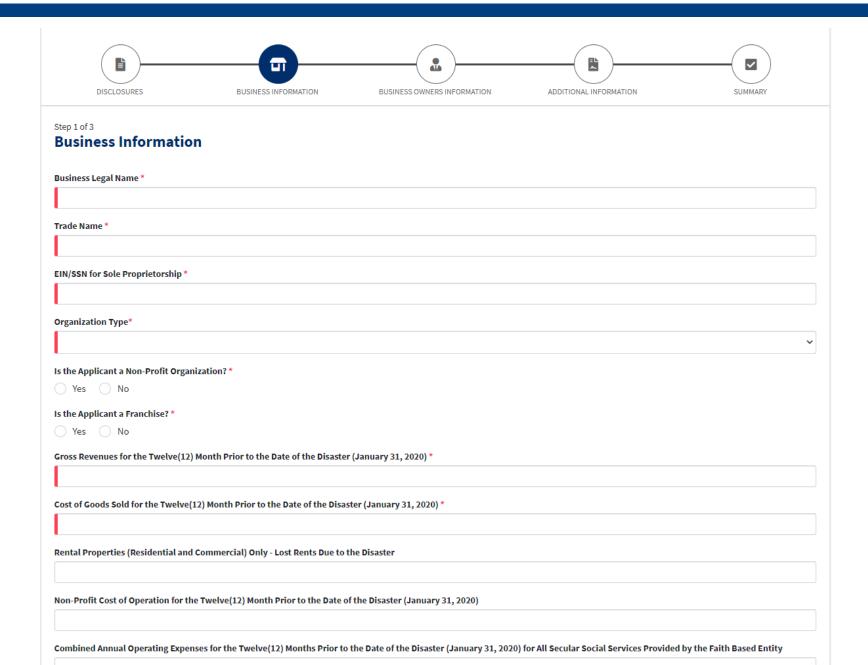
The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.



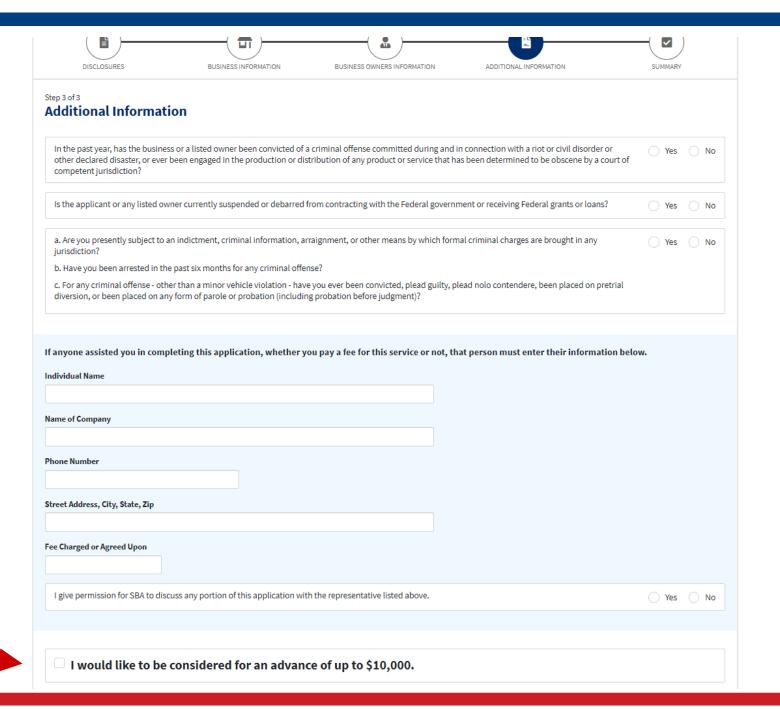
ELIGIBLE ENTITY VERIFICATION

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 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 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		
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.		







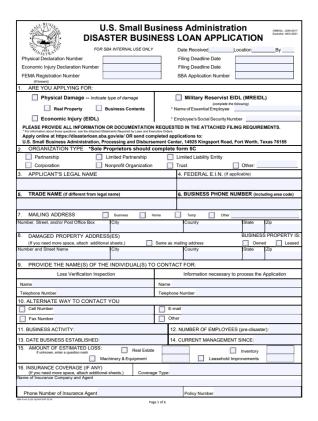




Preparing for the Application

https://www.sba.gov/disaster/apply-for-disaster-loan/index.html

Business Loan Application (Form 5)



EIDL Supporting Information (form p-019)

U.S. SMALL BUSINESS ADMINISTRATION		
ECONOMIC INJURY DISASTER LOAN SUPPORTING INFORMATION		
The U.S. Small Business Administration Economic Injury Disaster Loan provides immediate working capital to eligible applicants. For expedited boan application processing, the business must have been operating for at least one year prior to the disaster. Eligibility for this disaster Loan must consider compensated from other sources to offset the economic Injury. Other sources include but are not limited to: (1) grants or other reimbursement (including loans) from government agencies or private organizations, and (2) claims for civil liability against other individuals, organizations or governmental entities.		
Was the business in operation one year prior to the disaster?	Yes No	
Gross Revenues for the twelve (12) month period prior to the disaster:	\$	
Cost of Goods Sold for the twelve (12) month period prior to the disaster:	\$	
Rental properties (residential and commercial) only. Lost rents due to the disaster:	\$	
Compensation from other sources received as a result of the disaster (provide a brief description below) :		
	\$	
	\$	
	\$	
SIZE STANDARD*:		
SBA's size standards define whether a business concern is small and, theref Disaster Loan.	ore, eligible for an Economic Injury	
I certify all above information provided and the size of the applicant busine the industry in which the business is primarily engaged.	ess does not exceed the size standard for	
Signature and Title	Date	
* SBA establishes size standards by industry under the North American Industry Classification System (NAICS)[https://www.census.gov/eos/www/naics/): Business size standards, by NAICS code, may be found at 13 CFR §121.201 (https://ecfr.io/Title-13/se13.1.121_1201).		
ODA Form P-019 (03-2020)		



Economic Injury Disaster Loan Advance

Advance of UP TO \$10,000 in Capital

- 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 <u>successful</u> application, and this loan advance will not have to be repaid.



Economic Injury Disaster Loan Advance

Advance of <u>UP TO \$10,000</u> in Capital

• This advance may be available even if your EIDL application was declined or is still pending and will be forgiven.

• In order to qualify for the Advance, you need to submit the new application [www.covid19relief.sba.gov] even if you previously submitted an EIDL application.

• This will not impact the status or slow your existing application.

After Applying

Loan Processing Decision

- Information verified; you may be asked for more info
- Forecasts completed to determine the EIDL amount
- A loan officer contact you
- 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 Manger assigned that will help you with the rest



Important Notes About Your Application

- Please complete and submit everything required
 - Delays occur due to missing / incomplete information
- 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 new information and a written reconsideration request



Important Notes About Your Application

- If you were in the middle of an application when the old site crashed, you will need to apply on the new site: https://covid19relief.sba.gov
- Reality check: Some people are trying to scam others in SBA's name.
 - There is no immediate deadline for an EIDL application
 - it does not cost anything to apply, get the papers together, no credit card is needed, etc.
 - Beware of any emails or websites ending in "SBA.HELP"



SBA Debt Relief Program

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

NEW 7(a) Loans

 SBA will pay the principal and interest of new loans issued prior to Sept 27, 2020

CURRENT 7(a) Loans

 SBA will pay the principal and interest of current loans for a period of 6 months



Deferments of 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
- For micro loans, up to six
 (6) consecutive months
 - No deferment may not cause the loan to extend beyond the maximum seven (7) year maturit

504 Loans

- CDCs may help with temporary cash flow issues by deferring payments
- The amount deferred should not exceed six (6) cumulative months or 20% of the original loan amount, whichever is less

Existing Disaster Loans

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

SBA Express Bridge Loans

Designed to supplement the Agency's Direct disaster loan capabilities

- EBL loans can only be made by SBA Express Lenders
- The small business must have been operational when the declared disaster commenced and must meet all other 7(a) loan eligibility requirements
- The EBL loan must be structured as term loans not to exceed 7 years
 - Revolving lines of credit are not permitted
- Maximum amount of an EBL loan is \$25,000
 - not required to take collateral for EBL loans



www.sba.gov/tx/sanantonio



Business Resources and News

PRESS RELEASES

Local small business owners complete Executive Level education series

Call for SBA Award Nominations for 2020 National Small Business Week
October 18, 2019

2019 SBA San Antonio District Small Business Week Announced March 25, 2019

SMALL BUSINESS RESOURCES

Follow These 10 Steps to Starting a Business

Business Plan Executive Summary

Business Structure and Tax Implications

Obtaining Business Licenses & Permits

WomenBiz.gov

Local Export Assistance

FROM OUR OFFICE

SBA EIDL Information Webinar 📙

SADO Approved Express Lenders

National Small Business Week 2020 Winners

Quick Overview: SBA Loan Guaranty Programs

OUR RESOURCE PARTNERS

San Antonio SCORE

Austin SCORE

Women's Business Center - SAN ANTONIO

South-West Texas Border Small Business Development Center Network

SBA PROGRAMS

Find a Mentor or Counselor

SBA's Funding Programs

Borrowing Money for you Business

Find a Lender

Contract Assistance Programs

Dynamic Small Business Search

SUCCESS STORIES

SBDC Helps Manufacturer Wave a Flag of Success

One Project, One Relationship at a Time

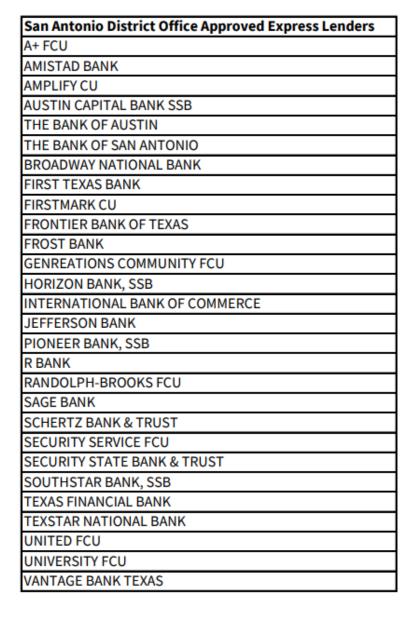
Better Service, Better Access, and Better Technology

JSR Inc. thanks SBA business development programs for growth and success

Spot on Sciences – The bio-tech industries' rising star

LENDING ACTIVITY

September 2015





Part of the CARES Act

- The **Paycheck Protection Program** will provide capital to keep employees on payroll and small businesses operating. You can apply with a lender starting April 3, 2020
- You cannot use your EIDL for the same purpose as your PPP Loan. (double dipping)
- Program will be available retroactive from Feb 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020
- The loan will be 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



- Any eligible small businesses including:
 - non-profits
 - Veterans organizations
 - Tribal concerns
 - sole proprietorships
 - self-employed individuals
 - independent contractors
- with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries

A tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code (IRC), a tax-exempt veterans organization described in section 501(c)(19) of the IRC, Tribal business concern described in section 31(b)(2)(C) of the Small Business Act

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

- Interest rate of 0.5%
- 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

- Forms Needed
 - SBA Form 2483 (PPP Application)
 - Payroll documentation



How much can I borrow

 The maximum loan amount is the lesser of \$10 million or an amount that you will calculate using a payroll-based formula specified in the Act

Example -

- No employees make more than \$100,000
- Annual payroll: \$120,000
- Average monthly payroll: \$10,000
- Multiply by 2.5 = \$25,000
- Maximum loan amount is \$25,000



- Only one PPP loan to eligible borrower.
- Independent contractors do not count as employees for purposes of PPP loan forgiveness.
 - Independent contractors has the ability to apply for a PPP loan on their own



Important Resource Assistance from SBA

SBA has three local Resource Partners

- South-West Texas Border Small Business Development Centers (SBDC) Network
- SCORE Chapters San Antonio and Austin
- Liftfund 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





Westland Park 5524 Bee Caves Rd., Ste. M-100 Austin, TX 78746

Phone: 512.928.2425

www.scoreaustin.org

San Antonio SCORE Chapter #164 – Main Office

Hipolito Federal Courthouse

2nd Floor, Ste. 298

615 E. Houston Street

San Antonio, Texas 78205

Phone: 210.403.5931

www.sanantonioscore.org



LiftFund Women's Business Center

San Antonio Central Public Library 600 Soledad Street San Antonio, TX 78205 www.liftfund.com



Veterans Business Outreach Center

1407 E. Freddy Gonzalez Dr. Edinburg, TX 78452 www.utrgv.edu/vboc



South-West Texas Border SBDC Network Office

UTSA Institute for Economic Development (IED) 501 W. Cesar E. Chavez Blvd. San Antonio, Texas 78207

www.txsbdc.org

UTSA SBDC – San Antonio Sul Ross – Eagle Pass 210.458.2450 830.758.5022

Texas State SBDC – Austin UHV SBDC – Victoria 512.420.9379 361.485.4485

TAMIU SBDC – Laredo ASU SBDC – San Angelo 325.942.2098





SBA San Antonio District Office

615 E. Houston St. Suite 298
San Antonio Texas 78205
(210) 403-5900