



## **In Trying Times, Don't Be Afraid to Try**

---

**There's been much discussion recently about the federal government's response to the COVID-19 pandemic and although the SBA and other federal agencies have been reaching out to business owners via webinars and daily updates the fact remains that there are many businesses that remain reluctant to apply for assistance from the SBA or other government agencies thinking that this event will be short-lived. The new reality is that much like the events of 9/11 changed the way we travel, the COVID pandemic and the possibility of future outbreaks will alter every sector of business from Business and Leisure Travel to Education, Food Service and Retail. Many facets of our lives will change moving forward. The programs put in place by the federal government are there as a "lifeline" to keep businesses afloat and hopefully business owners will confront the new reality and take this time to re-think their business model moving forward.**

**The following programs and information below are the most recent as of 4/15/2020 and published directly from the SBA.gov website. We highly encourage businesses to start the process sooner rather than taking a wait and see approach. Funding for these programs will be based on need and Funds will be distributed on a first-come-first served basis.**



## **Paycheck Protection Program**

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses 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.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

**<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>**



## **EIDL Loan Advance**

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., 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 following a successful application. This loan advance will not have to be repaid. The SBA's Economic Injury Disaster Loan provides vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic.

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self employed persons), private non-profit organizations 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.

[\*\*https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance\*\*](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance)



## **Express Bridge Loan Pilot Program**

Allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be 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**.

### **Terms**

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

**<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans>**



## SBA Debt Relief

As part of SBA's debt relief efforts,

- The SBA will automatically pay the principal, interest, and fees of **current 7(a), 504, and microloans** for a period of six 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.

For current 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**.

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 which will reflect the loan is deferred and no payment is due.
- **The deferment will NOT cancel any established Preauthorized Debit (PAD) or recurring payments on your loan.** *Borrowers that have established a PAD through Pay.Gov or an OnLine Bill Pay Service are responsible for canceling these recurring payments. Borrowers that had SBA establish a PAD through Pay.gov will have to contact their SBA servicing office to cancel the PAD.*
- Borrowers preferring to continue making regular payments during the deferment period may continue remitting payments during the deferment period. SBA will apply those payments normally as if there was no deferment.



- 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. If you have questions about your current loan and whether or not your loan is automatically deferred, please contact your Loan Servicing Office directly using the following information:
  - Birmingham Disaster Loan Servicing Center:
    - Phone: 800-736-6048
    - Email: BirminghamDLSC@sba.gov
  - El Paso Disaster Loan Servicing Center:
    - Phone: 800-487-6019
    - Email: ElPasoDLSC@sba.gov

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>