

U.S. Small Business Administration

Agenda



- EIDL Loan Overview
- Resource Partners
- Additional Resources
- FAQ

EIDL Loans



Economic Injury Disaster Update

- Available for all eligible small businesses
- Expires on December 31, 2020
- When applying for an EIDL loan, don't forget to apply for the advance up to $10,000 which is a grant, by checking the box.
- The loan advance will not have to be repaid. Recipients do not have to be approved for a loan in order to receive the advance, but the amount of the loan advance will be deducted from total loan eligibility.
- Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

ELIGIBILITY

- **On June 15, SBA began accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications from qualified small businesses and U.S. agricultural businesses.**
- Small business owners and qualified agricultural businesses in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19).
- Agricultural businesses are now eligible as a result of the latest round of funds appropriated by Congress in response to the COVID-19 pandemic.
- Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries (as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).
- SBA is encouraging all eligible agricultural businesses with 500 or fewer employees wishing to apply to begin preparing their business financial information needed for their application.

Economic Injury Disaster Loans (EIDL)



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

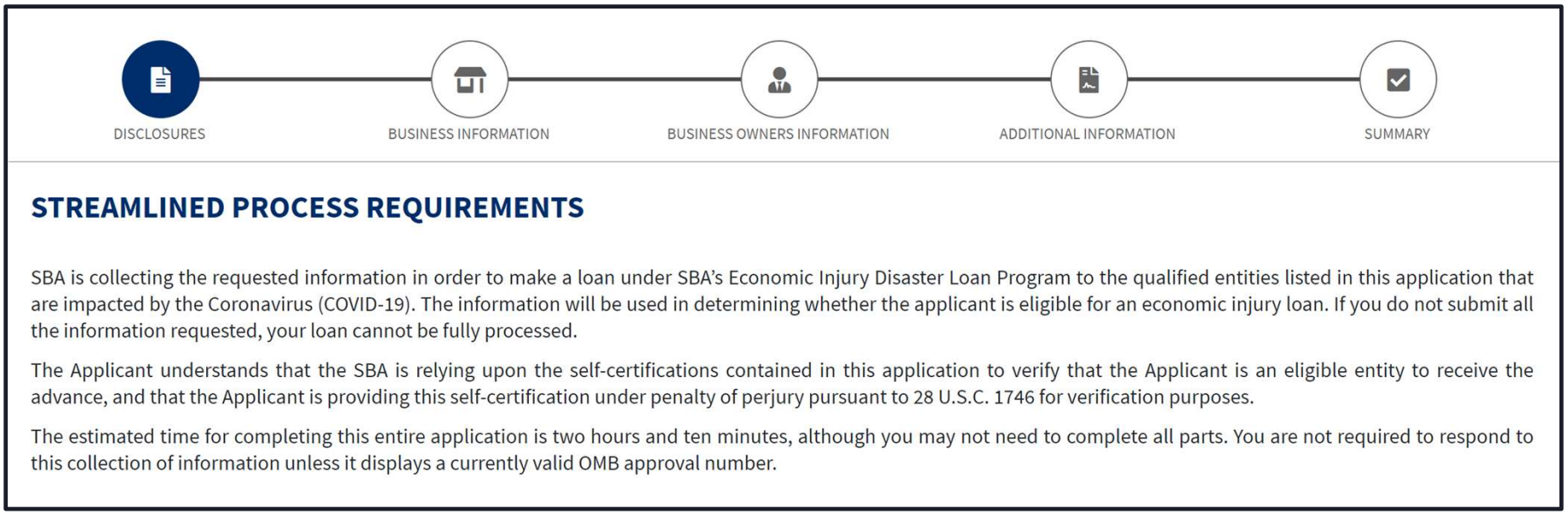
EIDL Repayment

- No payments on EIDL loans for one year from date of note.
- Applicant will receive amortization schedule after loan is funded from servicing department and payment stubs.
- Usually, applicant will be notified before applicant bank account on file will be debited for payment. Applicant can also request check payment by mail or online payments.

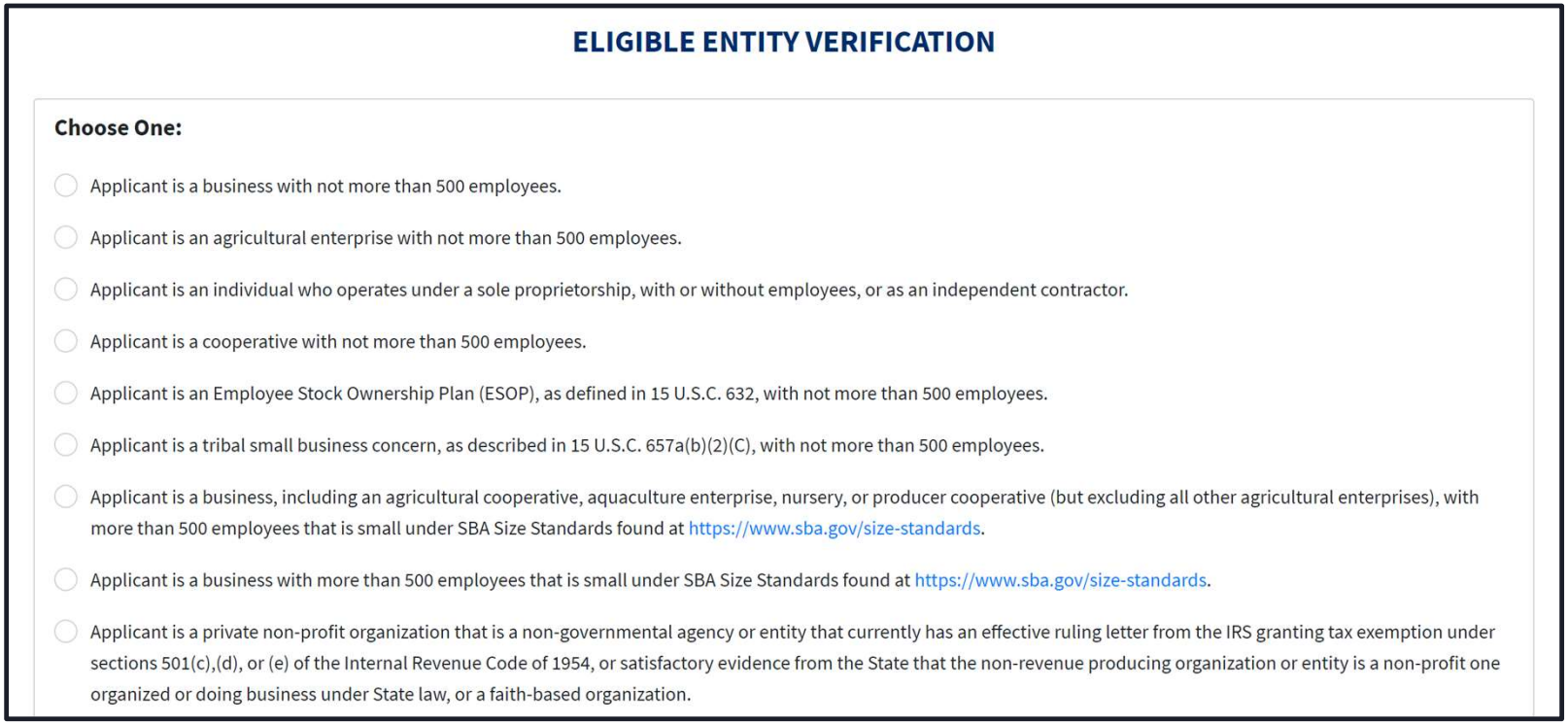
How to Apply for EIDL

- The website for applying for EIDL is www.sba.gov/disaster
- You may also contact the SBA Disaster Customer Service Center (M - F 8:00 am to 8:00 pm, Sat/Sun 8:00 am to 5:00 pm Eastern Time)
  - 1-800-659-2955
  - e-mail disastercustomerservice@sba.gov
  - TTY: 1-800-877-8339
- If denied:
  - you get six months to provide a written reconsideration request with new supplemental information
  - If denied a second time, you get an additional 30 days to appeal

Application 1



Application 2



ELIGIBLE ENTITY VERIFICATION

Choose One:

- ○ Applicant is a business with not more than 500 employees.
- ○ Applicant is an agricultural enterprise 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 (but excluding all other agricultural enterprises), with more than 500 employees 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.

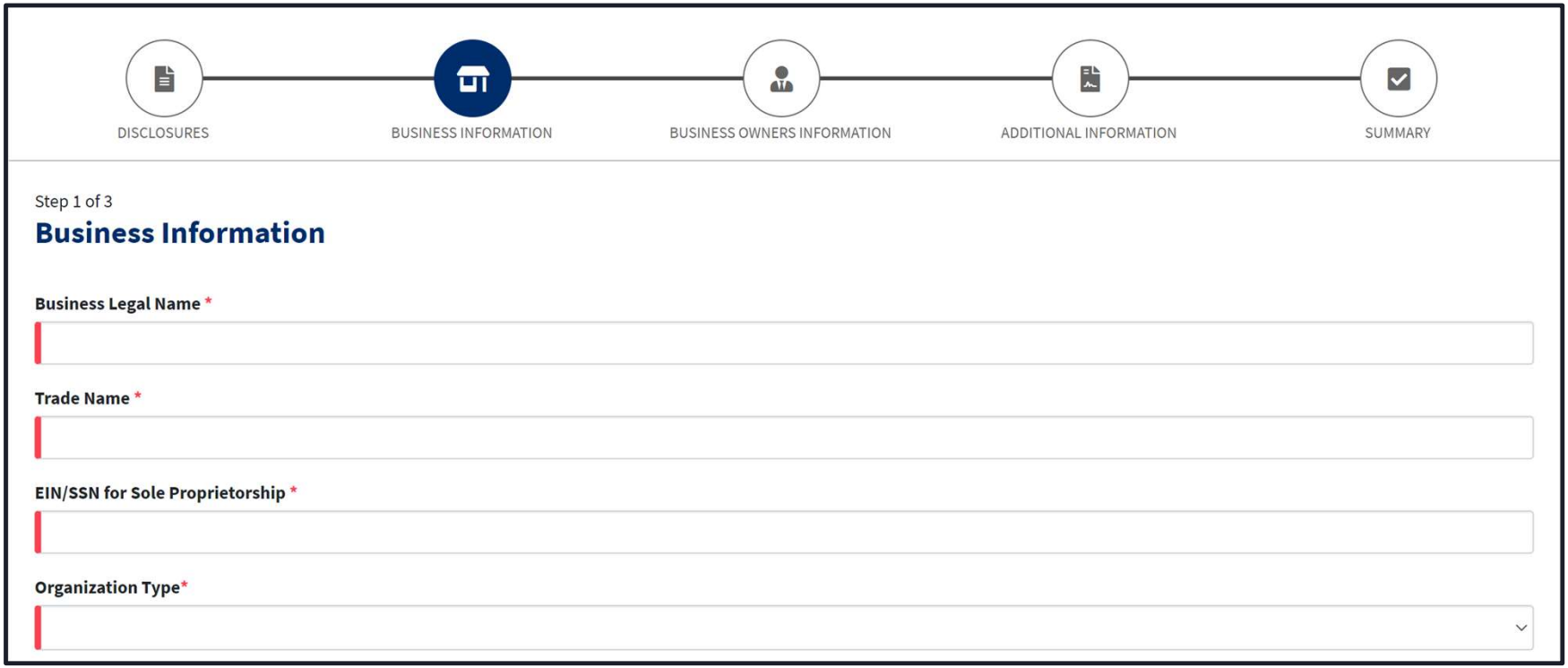
Application 3

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 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.

Application 4



Application 5

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 or Agricultural Enterprise Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Compensation From Other Sources Received as a Result of the Disaster

Application 6

Provide Brief Description of Other Compensation Sources

Primary Business Address (Cannot be P.O. Box) *

City *

State *

County

Zip *

Application 7





PPP Loans

Payroll Protection Program (PPP)

- Was established to help small businesses pay their payroll and other operating expenses.
- SBA will forgive up to 100% of the loan proceeds if used to cover (8) weeks or (24) weeks of eligible expenses, once the loan is disbursed. Covered Period cannot exceed December 31, 2020.
  - Payroll expenses
  - Rent and lease expenses
  - Utility expenses (electricity, gas water, telephone, transportation and internet access)
  - Mortgage and other interest expenses

https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp

Loan Details

- No collateral required
- No personal guarantees required
- No fees charged to the Borrower
- Payments are deferred

Resource Partners



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
- Messaging and Social Media
- Import/Export
- Supply Chain
- Strategic Planning
- Risk management and Insurance counseling

Contact Information

Small Business Development Center 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	U.S. Small Business Administration 713-773-6500 **SIGN-UP FOR EMAIL UPDATES:** www.sba.gov/tx/houston **FOLLOW US ON TWITTER:** @SBA_Houston

Additional Resources



Additional Resources

- Visit with your existing bank
- The LiftFund Program
- Texas Restaurant Association Grant Program
- Check your local EDC (ex.- Galveston EDP Short-term Loan Program)
- Brazos Valley Community Relief Grant
- Harris County Small Business Loans Program
- U.S. Chamber of Commerce ‘Save Small Business Fund’
- Allied Arts Grant program for artists
- Hello Alice COVID-19 Grant
- Non-Profit Organization Assistance
- Visit your local Chamber of Commerce
- Houston Business Development, Inc.
- Fort Bend County Grant Program

Frequently Asked Questions



Questions (1/3)

- Visit www.sba.gov/tx/houston, under Coronavirus resources:
  - *For a copy of this slide deck*
  - *Houston District SBA lender list*
- Can I check status of my EIDL application?
  - *1 800 659 2955 or disastercustomerservice@sba.gov*
- Are EIDL loans forgiven?
  - *NO, but the Advance is a grant (is forgiven)*
- How is the “up to $10K EIDL Relief Grant” calculated?
  - *Based on the number of pre-disaster (before January 31, 2020) employees; $1,000 per employee up to a maximum of $10,000.*

Questions (2/3)

- Can I apply for both EIDL and PPP?
  - *YES; however, you cannot duplicate costs.*
- I have already submitted my PPP application. Can I submit for the EIDL loan?
  - *YES, just don't duplicate costs included in the EIDL.*

Questions 3/3

- Are faith-based organizations, including houses of worship, eligible to receive SBA loans under the EIDL program?
  - *Yes, and we additionally clarify that faith-based organizations are eligible to receive SBA loans regardless of whether they provide secular social services. That is, no otherwise eligible organization will be disqualified from receiving a loan because of the religious nature, religious identity, or religious speech of the organization.*
  - https://www.sba.gov/document/support--faq-regarding-participation-faith-based-organizations-ppp-eidl

Questions (4/3)

- I received an email with an SBA logo. How do I know it is real?
  - *If its from the SBA it will have a **.gov** email address*
- Someone contacted me promising they can get me approved and move me to the head of the line – for a fee. Is this real?
  - *Suspect fraud!*
  - *Report any suspected fraud to OIG's Hotline at 800-767-0385 or online at, https://bit.ly/2UxdAhL*

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
- *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