



ECONOMIC DEVELOPMENT CORPORATION

COVID-19 Small Business Assistance Resources

SBA Bridge Loan

- Up to \$25,000
- 7 year term
- Expires 9/30/20
- Will be repaid by in full or part by the proceeds of the EIDL loan
- Made through SBA-approved lender that has already been doing Bridge Loans
- Eligible small businesses must already have a relationship with the lender

SBA Debt Relief program

- The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.
- Under this program:
 - The SBA will pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
 - The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.
 - Contact your SBA-approved lender on this program for more details

SCORE Contact Information

San Antonio SCORE Main Office

615 East Houston Street

Suite 293

Garcia Federal Building

San Antonio, TX 78205

Hours are from 9:30am - 3:30pm; walk-ins are welcome

Economic Injury Disaster Loan

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**.

- Any business with 500 or fewer employees
- Loan amounts of up to **\$2 million**
- Terms up to **30 years**

- Interest rate for **for-profit companies: 3.75%; non-profits: 2.75%**
- Proceeds may be used for working capital, including:
 - Payroll costs, salaries and sick leave
 - Rent or mortgage payments
 - Material costs
 - Preexisting debt
- Amount of loan depends on a variety of factors (i.e., loss in revenue, payroll costs, rent payments, etc.). Most loans of up to \$500,000 will be processed using a mostly automated application and funds should be delivered within a week or two of submission
- No personal guarantees for loans \$200k or less; for loans more than \$200k, personal guarantees are required
- Collateral is not required for loans less than \$25k but is required for loans more than that
- SBA approves loans based off information in application and credit score
- No fees to apply for loans less than \$25k; \$100 fee for loans more than that
- **The EIDL also provides a loan advance of up to \$10,000**
 - To access the advance, first apply for EIDL and then request the advance
 - Advance may be used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations including debts, rent, and mortgage payments
 - No requirement to repay the advance even if loan application is denied
 - No documents required
 - This program ends on December 31, 2020
- **How do I apply?**
 - Go [HERE](#) to fill out online
 - Email completed documents to disasterloans@sba.gov. **Cannot be more than 5MB in size. Can pose a security hazard due to sending over an unsecured email link.**
 - If online applications are not feasible, applications can be mailed here:

U.S. Small Business Administration

Processing and Disbursement Center

Attn: ELA Mail Department

PO Box 156119

Fort Worth, Texas 76155

- Fax completed documents to **202.481.1505**

Paycheck Protection Program

The PPP is perhaps the most valuable program in the CARES Act for businesses with fewer than 500 employees. This SBA loan provides assistance to businesses affected by the COVID-19 crisis to help keep employees working. If the business meets the necessary conditions of the loan, a portion of it will be **forgivable**. The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. All loan terms will be the same for everyone. [Loan application sample here.](#)

Here are the basics of what you need to know about the PPP:

- No collateral is required
- You do not need to personally guarantee the loan
- Loan is due in 2 years and can be paid back earlier than that.
- 0.5% interest rate of loan

The loan amounts will be fully forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained. If you have laid off employees, quickly rehire them.
- Forgiveness is reduced if full-time headcount declines or if salaries and wages decrease
- Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- You maintain salaries through June
- Be prepared to show that your business was fully operational on February 15th
 - Have a spreadsheet showing your verifiable, average payroll costs from the last 12 months; this will be part of meeting criteria for the loan
- Loan payments will be deferred for 6 months, however, interest will continue to accrue over this period.
- Amount of forgiveness cannot exceed the principal amount of the loan, but may equal up to a business’s **costs during the 8 weeks following the date of the loan’s origination** for the following categories:
 - Payroll costs;
 - Interest on real or personal property mortgage obligations in existence before February 15, 2020 and incurred in the ordinary course;
 - Rent under a lease agreement in force before February 15, 2020; and
 - Utility payments, including electricity, gas, water, transportation, telephone or internet, for which service began before February 15, 2020.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

Where can I apply?

- You can apply through any existing SBA 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. Visit www.sba.gov for a list of SBA lenders.

What do I need to apply?

- You will need to complete the [Paycheck Protection Program loan application](#) and submit the application with the required documentation to an approved lender that is available to process

How large can my loan be?

- Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.

How can I request loan forgiveness?

- You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.