



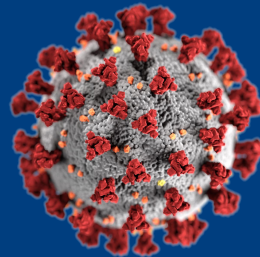
U.S. Small Business
Administration



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COVID-19 Loan Programs

For Oklahoma Small Businesses

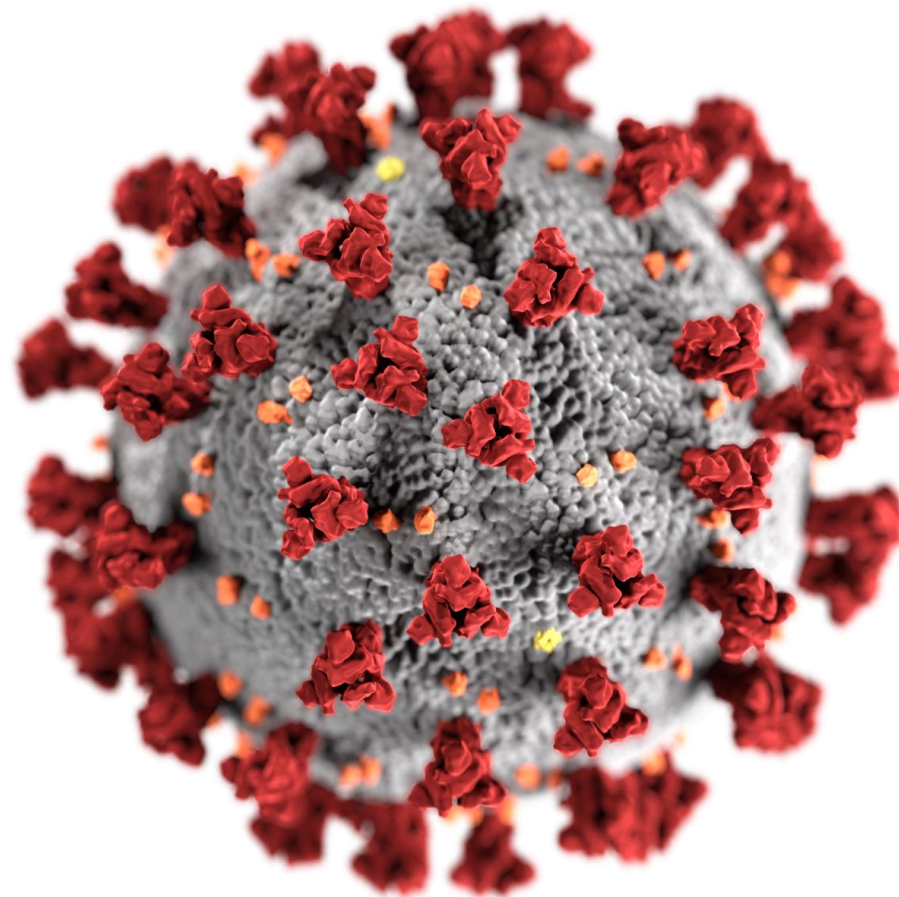


Oklahoma District Office

Version: 4/6

Immediate Economic Relief for Small Businesses

“These loans will bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees,” SBA Administrator Jovita Carranza said. “We urge every struggling small business to take advantage of this unprecedented federal resource – their viability is critically important to their employees, their community, and the country.”



A Few Tips Before We Start

- Today's presentation deals with what the program is today. Not what "may" occur in the future.
- Feel free to return for another webinar as the situation evolves
- We encourage everyone to apply.
- Don't prejudge your eligibility

A Few Tips Before We Start

- Borrowers can apply for both a Paycheck Protection Program loan and a SBA Economic Injury Disaster Loan.
 - However, loan funds cannot be used for the same purpose.
- You do not have to take the loan if you don't need it, even if you are approved.
- If you are applying for both, you can accept PPP first – then decide whether to close on your EIDL approved loan.
 - An EIDL approved loan may be closed within 60 days, and the borrower can choose whether to close on the loan.

Coronavirus Relief Options

- The CARES Act established several new temporary programs to address the COVID-19 outbreak:
 - Paycheck Protection Program
 - EIDL Loan Advance
 - SBA Express Bridge Loans
 - SBA Debt Relief



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Paycheck Protection Program

- This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.



Loan Information

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. You should consult with your local lender as to whether it is participating in the program.
- The Paycheck Protection Program will be available through June 30, 2020.

Who Can Apply

Paycheck Protection Program

- This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.
- Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

Loan Details and Forgiveness

Paycheck Protection Program

- The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll).
- Loan payments will also be deferred for six months.
- No collateral or personal guarantees are required.
- Neither the government nor lenders will charge small businesses any fees.

Loan Details and Forgiveness

Paycheck Protection Program

- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels.
 - Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- This loan has a maturity of 2 years and an interest rate of 1%.
- If you wish to begin preparing your application, you can download a copy of the PPP borrower application form at [SBA.gov](https://www.sba.gov) to see the information that will be requested from you when you apply with a lender.



Paycheck Protection Program Lender Application Form - Paycheck Protection Program Loan Guaranty

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rule" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information	
Lender Name:	_____ Lender Location ID: _____
Address: _____	City: _____ St: _____ Zip: _____
Lender Contact: _____	Ph: () - _____ Cell or Ext: () - _____
Contact Email: _____	Title: _____

B. Applicant Information	
Applicant	Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other
	Applicant Legal Name: _____
	DBA: _____ Business Tax ID: _____
	Applicant Address: _____ City, State, Zip: _____
	Applicant Primary Contact: _____ Phone: () - _____

Eligibility of Faith-Based Organizations

Paycheck Protection Program

- All faith-based organizations impacted by Coronavirus (COVID-19) are eligible to participate in the Paycheck Protection Program and the Economic Injury Disaster Loan program, without restrictions based on their religious identity or activities, to the extent they meet the eligibility criteria outlined in the CARES Act.
- For further information visit [SBA.gov](https://www.sba.gov).

EIDL Loan Advance & EIDL Loan

- This loan advance will provide **up to** \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.



Overview

EIDL Loan Advance

- In response to the Coronavirus (COVID-19) pandemic, small business owners 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.
- Apply online at [SBA.gov](https://www.sba.gov)

Economic Injury Disaster Loan

Economic Injury Disaster Loans

- Help meet working capital needs caused by the declared disaster
- Help pay financial obligations and operating expenses which could have been paid had the disaster not occurred
 - Fixed debt payments, payroll, accounts payable, etc. Extraordinary expenses caused by the disaster
- EIDLs do not replace lost revenue, lost profits or fund expansion

SBA's Economic Injury Disaster Loan Basics

- What businesses are eligible to apply?
 - SBA's Economic Injury Disaster Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations
- This includes:
 - Businesses directly affected by the disaster
 - Businesses that offer services directly related to the businesses in the declaration
 - Other businesses indirectly related the industry that are likely to be harmed by losses in their community
 - (Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product.)

Loan Amounts and Use

- The EIDL is for businesses who have experienced a substantial economic injury due to the disaster. Substantial economic injury means the business is unable to meet its obligations and to pay its ordinary and necessary operating expenses as a direct result of the disaster.
- EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.
- The SBA can provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred.
- Your loan amount will be based on your actual economic injury and your company's financial needs, regardless of whether the business suffered any property damage.

Eligibility and Terms

- EIDL assistance is available only to small businesses.
- Credit History: Applicants must have a credit history acceptable to SBA.
- Repayment: Applicants must show the ability to repay all loans.

Eligibility and Terms

- The interest rate on EIDLs is 3.75 percent per year. The term of these loans will not exceed 30 years. The repayment term will be determined by your ability to repay the loan.
- Economic Injury Disaster Loans incur:
 - No Fees
 - No Points
 - No Closing Costs
- There is also a 12-month deferment period on the first payment for the loan

SBA Express Bridge Loans

- Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.



Express Bridge Loan Pilot Program

SBA Express Bridge Loans

- 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 a 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.

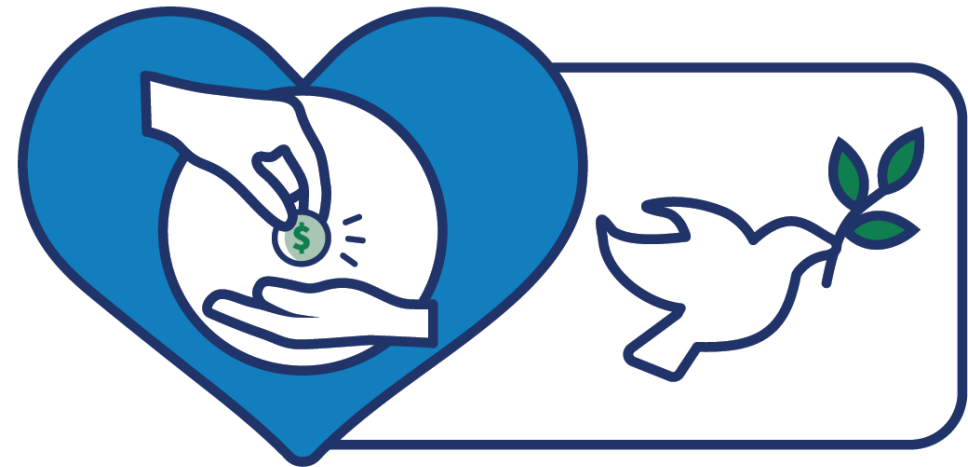
Terms

SBA Express Bridge Loans

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

SBA Debt Relief

- The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.



Overview

SBA Debt Relief

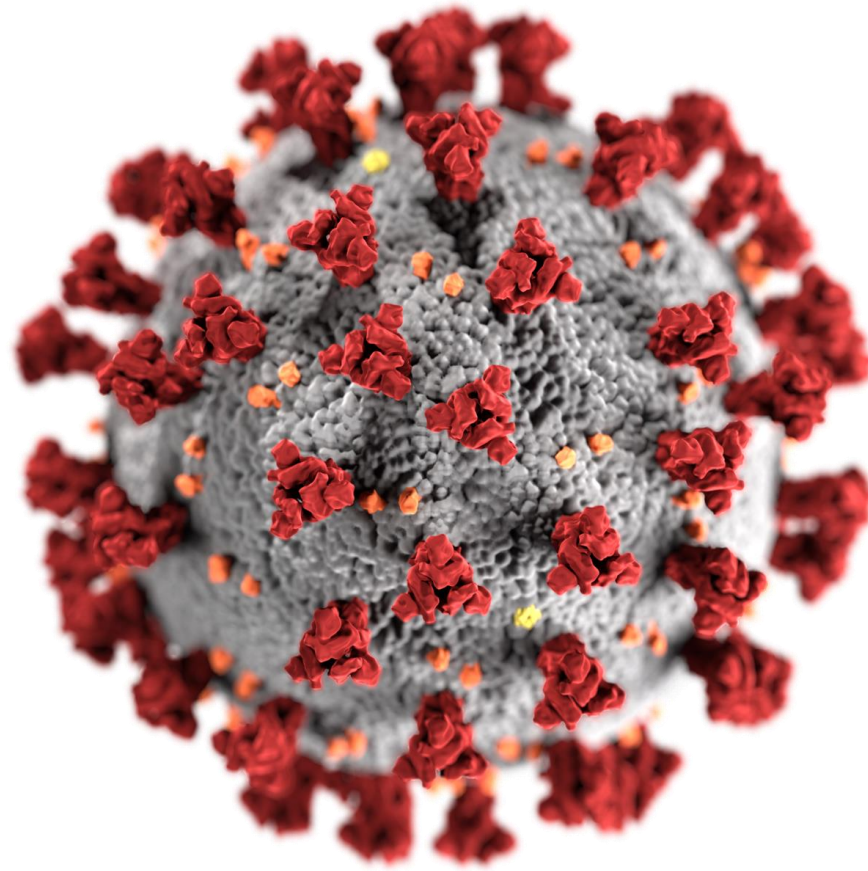
- As part of SBA's debt relief efforts,
 - The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
 - The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.

Additional Debt Relief

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 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.

Additional Resources



Need Help?

Get Free Business Counseling

- Oklahoma Small Business Development Centers
 - WWW.OKSBDC.ORG
- SCORE
 - Oklahoma City www.oklahomacity.score.org
 - Tulsa www.tulsa.score.org
- Women's Business Center
 - www.reiwbc.org

Avoid Fraud

Spread the Word

- There's no fee to apply for a Paycheck Protection Program loan.
- Be aware of fraudulent actors who may charge people to assist with obtaining one.
- FEMA Advises: Please do not trust anyone who offers you financial help and then asks you for money or personal information. Federal and local disaster workers will not ask you for money or sign you up to receive a check.

Internal Revenue Service Assistance



The new employee retention credit may help businesses financially impacted by COVID-19.

www.irs.gov/coronavirus



For More Information:

SBA Disaster Office

- www.sba.gov/disaster
- Phone: 1-800-659-2955
(TTY: 1-800-877-8339)
- Email: disastercustomerservice@sba.gov

Oklahoma District Office

- www.sba.gov/OK
 - Subscribe to the Oklahoma District Office Newsletters for up-to-date COVID-19 information.
- Email: Oklahoma_DO@sba.gov
- Phone: (405)609-8000
- Follow us on Twitter at:
https://twitter.com/SBA_Oklahoma

Any Questions?





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