



COVID-19 Small Business Economic Relief

EMERGENCY RESOURCES ROUND UP 3.31.20

Listed below are emergency resources available to business owners to navigate through the unprecedented impacts of COVID-19.

TCM only has direct participation in the 504 Loan Debt Forgiveness program which will be provided automatically starting with payments due in April, 2020. For all other loan and grant programs, please contact appropriate approval authorities as provided below.

LEGISLATIVE UPDATE

A \$2 trillion economic stimulus package has been passed and signed into law to address the unprecedented economic disruption caused by the COVID-19 pandemic. As part of this Coronavirus Aid, Relief, and Economic Security (CARES) Act, there are several initiatives that will soon be offered on an expedited basis by the Small Business Administration (SBA) to address immediate needs of distressed small businesses.

At present, new program rules are being written and guidance will be forthcoming. Completion and roll out of this aid package is being fast-tracked given the urgency to provide relief to small businesses. In the meantime, there are two documents that have been published by the U.S. Senate Committee on Small Business & Entrepreneurship that provide a summary of CARES Act programs as understood thus far:

[The Small Business Owner's Guide to the CARES Act](#) (and) [Small Business Provisions in CARES Act](#)

Updates will continue to be provided as this historic emergency economic relief is rolled out.

504 LOAN DEBT FORGIVENESS (TCM – Automatic Approval)

The CARES Act appropriates \$17 billion to SBA for up to 6 months of loan payments (inclusive of principal, interest, and fees) for all existing SBA loans. This program will provide relief to small businesses with non-disaster SBA loans (504, 7a, and microloans). The debt relief will also be available to new borrowers through 9/30/20. Full details are pending and will be shared as they become available.

ECONOMIC EMERGENCY LOAN & GRANT PROGRAMS (Contact - SBA)

SBA's Economic Injury Disaster Loans (EIDL) and Grants

The **Emergency Economic Injury Grant** program is a companion to the Economic Injury Disaster Loan (EIDL), providing business owners quick access to cash while the EIDL application is in-process (see loan details below). Within three days of applying for an EIDL disaster loan, these grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19. To access the advance, small businesses first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, even if the disaster loan is subsequently declined. Funds may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, etc.

The **Economic Injury Disaster Loan (EIDL)** provides a 3.75% fixed-rate loan for a term of up to 30 years, funding up to \$2 million in working capital assistance for each applicant. Upon application, SBA will determine the loan

amount for which each borrower qualifies. Monthly payments are automatically deferred for one year. While loan amounts less than \$25M can be uncollateralized, SBA will require personal guarantees and prefers real estate collateral on loans greater than the \$25M threshold. SBA will not decline a loan for lack of collateral but requires borrowers to pledge what is available. There is no prepayment penalty.

This is a direct loan administered by the SBA, and there is no cost to apply for the loan. There are no loan fees, except for closing costs. Business owners may apply online directly to SBA's Disaster Assistance Program.

[Click here to access EIDL application forms.](#)

For step by step guidance on the EIDL online application process reference this [SBA PowerPoint presentation](#) .

To contact SBA Disaster Loan personnel directly, email disastercustomerservice@sba.gov or call 1-800-659-2955.

Visit the SBA Disaster Loan Assistance website at: [SBA Disaster Loan Assistance](#)

MN DEED Small Business Emergency Loan Program (Contact - State of Minnesota)

The Minnesota Department of Employment and Economic Development (DEED) will be administering emergency loans to small business owners who have been directly impacted by COVID-19 business disruptions. Loan amounts will range from \$2,500 - \$35,000. Visit the MN DEED website for more details: [MN](#)

[DEED Small Business Emergency Loans](#)

Paycheck Protection Program (PPP) Loans (Contact - Commercial Lenders)

As explained in [The Small Business Owner's Guide to the CARES Act](#), the economic relief package appropriates \$349 billion to provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, no collateral, no personal guarantees and at least six months of deferral with maximum deferrals of up to a year. Funds are anticipated to be made available quickly, and borrowers may access them through their lending institution. Current understanding is that PPP Loans will be available through June 30, 2020.

Express Bridge Loan Pilot Program (Contact – Commercial Lenders)

The Express Bridge Loan Pilot Program (EBL) provides funding administered by an SBA Express Lender with loans made to eligible small businesses with which the lender had an existing banking relationship prior to COVID-19 impacts. Loans may be up to \$25,000 and can help cover cash flow shortages caused by unanticipated business disruption, as well as to assist in bridging the gap while applying for a direct SBA Economic Injury Disaster Loan (see above). EBL details can be found in the [Express Bridge Loan Pilot Program Guide](#) .

GENERAL RESOURCES

You can find additional resources at www.sba.gov and www.sba.gov/mn. You can register to receive updates at www.sba.gov/updates.