



SBA Updates: PPP, EIDL and Other Funding Options

As of 8/4/20

Small Business Economic Relief

Tools Made Available in Response to Coronavirus (COVID-19)

**CARE
S Act**



Paycheck
Protection
Program



SBA Debt Relief

**SBA Base
Programs
Expanded**



Economic
Injury Disaster
Loans *Includes
deferral
through 2020*



Traditional
SBA-backed
Lending
(includes SBA
Express Bridge
Loan)



No-Cost
Business
Advising
*Additional funding
via partners*

Economic Injury Disaster Loans

Direct Loans from the Federal Government



EIDL

- As of June 16, re-opened to all eligible businesses, non-profits & agricultural businesses
- Submitted applications continue to be processed on a first-come, first-served basis
- Low interest, long term loans with payments deferred for 1 year
- To be used for working capital for day-to-day business expenses.

Economic Injury Disaster Loans

If You've Already Applied

SBA's Office of Disaster Assistance is processing applications as quickly as possible; additional staff have been hired to meet the demand

EIDLs are being processed on a first-come, first-serve basis

- If you received notice the application was submitted successfully and your confirmation begins with a **3**, the loan is being processed
- Some initial applications will require additional information
- **A declination doesn't necessarily mean "No"; it may mean that additional info is needed. You may submit Reconsideration documentation.**

Status updates available through SBA's Office of Disaster Assistance

- 1-800-659-2955 (TTY/TDD: 1-800-877-8339);
disastercustomerservice@sba.gov
- SBA Field Offices do not have access to the EIDL or EIDL Advance applications

Paycheck Protection Program

Overview

First round: \$349 billion

- Provided in CARES Act signed into law on March 27
- Opened on April 3; funds exhausted at 10 a.m. EDT on April 16
- 1.6+ million loans approved
- SBA processed more than 14 years' worth of loans in less than 14 days

Second round: \$310 billion

- Provided in PPP & Health Care Enhancement Act signed into law on April 24; \$60 billion set aside for smaller lenders and CDFIs (to better serve the smallest businesses)
- Re-opened on April 27
- Money remains available (approx. \$130 Billion)

PPP total as of 7-30-20: Nationally, 5+ Million loans for \$520+ Billion; in Wisconsin, over 87,000 small businesses and organizations approved for over \$9.8 Billion.



Paycheck Protection Program

Eligibility & What it Provides

WHO is eligible:

Small business that meets SBA's size standards (either industry based or alternative size)

Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern with the greater of:

- 500 employees, or
- With a NAICS Code that begins with 72 (Accommodations and Food Services) with more than one physical location and employs less than 500 per location

Sole proprietors, independent contractors, and self-employed persons

WHAT does it provide:

An up to \$10 million, SBA-guaranteed loan with a 1% interest rate of which up to 24 weeks of eligible expenses are potentially forgivable based on certain parameters being met, including the use of at least 60% of loan proceeds on eligible payroll costs.

No personal guarantees and no collateral required.

Paycheck Protection Program

PPP Flexibility Act (6-5-2020) and PPP Extension

The SBA is updating rules, guidance and various forms for implementation. Some items to note from the Act are:

- Last day for the SBA to accept loan applications from lenders has now been extended to August 8, 2020.
- Borrowers now only have to use 60% (changed from 75%) of the loan proceeds for payroll costs for forgiveness; if a borrower uses less than 60% for payroll costs, the borrower will continue to be eligible for partial loan forgiveness
- Covered period is now 24 weeks (changed from 8 weeks) from loan disbursement or December 31, 2020, whichever is earlier; for loans prior to June 5, borrowers can elect 8 weeks
- Any PPP loan after June 5 now has a five-year term; term changes for PPP loans prior to June 5 will have to be agreed to between borrower and lender
- Additional safe harbors from reduction in loan forgiveness re: the inability to return to previous business levels or to rehire or find new qualified employees
- Borrower has 10 months from the end of the covered period to submit Forgiveness documentation to the lender; if the borrower does not ask for forgiveness, principal and interest payments will start 10 months from the eligible date of forgiveness. **Note:** There are 2 different PPP loan forgiveness applications available; choose either the 'EZ' form or the regular longer form.

PPP - Forgiveness Process

Step 1: Borrower determines which covered period to use:

- A. If Borrower's loan was approved prior to June 5, 2020, that Borrower can choose either an 8-week covered period or a 24-week covered period.
- B. If Borrower's loan was approved on or after June 5, 2020, that Borrower automatically has a 24-week covered period.
- C. For Borrowers with loans approved prior to June 5, it may make sense utilize a 24-week covered period if they need to use that time to regain original FTE counts (if they don't fall into the new FTE Safe Harbor categories of inability to rehire/fill positions or the decrease in business activity due to COVID-19 operating regulations), or if they need additional time to achieve the 60/40 usage of funds.

PPP - Forgiveness Process

Step 2: Choose the correct PPP Forgiveness Application Form

- PPP Loan Forgiveness Application Form 3508EZ
- PPP Loan Forgiveness Calculation Form (Form 3508)

Who can use the Form 3508EZ? Must fit into at least one of three categories – see instructions for Form 3508EZ for further information

PPP - Forgiveness Process

Step 3: Complete Forgiveness Application and Submit to Lender with Required Documentation

- The instruction document for each of the two different Forgiveness Application forms lists the documents that must be submitted with the PPP Loan Forgiveness Application.
- In order to determine eligible payroll costs for Owner-Employees, Self-Employed Individuals, or General Partners, follow the specific instructions on compensation calculations and the restrictions on employer contributions to employee health care and employee retirement plans as detailed on page 2 of the Form 3508EZ instructions or on page 3 of the Form3508 instructions.
- Page 2 of each of the two different PPP Forgiveness Applications is a Representations and Certifications page; be sure to complete and sign as part of the overall application.

SBA Debt Relief



Eligibility

- **SBA will cover principal, interest and fees for 6 months**
- Current 504, 7(a) and Microloan borrowers are eligible
- New 504, 7(a) and Microloan loans between 3/27/2020 and 9/27/2020 are also eligible
- **NEW for SBA Express loans: Loan amount to \$1,000,000 through 12-31-20; upfront guaranty fee permanently waived for Veterans**

Loan Specifics

- Size of loan, interest rate, term, fees, use of proceeds, and collateral are determined by the loan program
 - Information on SBA loan programs ins Resource Guide -

SBA Debt Relief



- Personal guarantees are required
- Collateral required
- Use for expansion, FFE, working capital, growth, refinance

- Apply with a lender that participates in the loan program
 - Participating Lenders - Deadline for new loans to close and be funded is 9/27/2020
 - List of participating lenders in [SBA Wisconsin Small Business Resource Guide](#)

 - Lender Match tool also available at www.sba.gov.

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

SBA Debt Relief



Community Advantage Recovery Loans

- Provides small businesses with financing combined with technical assistance (business consulting).
- Small businesses in underserved markets are eligible for this loan (includes businesses in Low-to-Moderate Income communities, start-up businesses in business less than 2 years, businesses in HUBZones or Opportunity Zones, Veteran-Owned businesses and businesses in rural areas)
- Funds can be used to revamp a business model to accommodate the COVID-19 environment or to build financial resiliency
- SBA will cover the first 6 months of principal, interest and fees as long as loan is approved by September 27, 2020 and fully disbursed by October 1, 2020.
- Lenders in WI: WWBIC (WI Women's Business Initiative Corp) and MEDC (Milwaukee Economic Development Corp)

SBA Express Bridge Loans



- **Current customers of SBA Express Lenders are eligible**
 - Apply with Express Lenders - Loan amount up to \$25,000 for up to 7 years
 - [SBA Express Lenders in Wisconsin](#)
- Interest rate is Prime +6.5%
- Guarantee fee – 2% on guaranteed portion of loan
- Use for working capital
- Collateral not required
- Personal guaranty is required
- **Lender can require loan to be repaid with disaster funds.**
- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans>

SBA Partner Disaster Loan Help

All locations are working remotely. Contact by phone or email.

ORGANIZATION	LOCATIONS	PHONE	EMAIL/WEBSITE
SBA	Milwaukee Madison	414-297-3941 608-441-5263	Wisconsin@sba.gov
SBDC Network	13 offices statewide	Answerline 800-940-7232	Find local contacts & loan assistance https://business.wisconsin.edu/about/covid-19/
WI Women's Business Initiative Corp.	Milwaukee, Madison, Racine, Kenosha, Appleton, Green Bay, La Crosse		info@wwbic.com www.wwbic.com En Espanol: Lily Alvarado, Lily.alvarado@wwbic.com
Western WI Women's Business Center	Independence, Eau Claire- Karman Briggs		karman.briggs@wdeoc.org www.successfulbusiness.org
SCORE	Milwaukee	414-297-3942	Score.28@scorevolunteer.org Counseling.28@scorevolunteer.org madison.Score@scorevolunteer.org
Find mentors https://www.score.org/coronavirus-sba-loans	Madison		ch.admin0535@scorevolunteer.org
	Marshfield		
	Eau Claire	715-834-1573	
	Fox Cities (Appleton)		score.foxcities@scorevolunteer.org
	Green Bay	920-222-2167	greenbayscore@gmail.com
Veterans Business Outreach Center	Statewide-Makeba Butler	414-395-4566	wwbic.com/veterans vboc@wwbic.com

SBA Wisconsin District Office



Get COVID19 Updates from Wisconsin SBA

E-news signup—www.sba.gov/updates—email and zip code, or text **SBA** to **GOV311** to get there

Twitter: @SBA_Wisconsin –fast information sharing from our office and SBA HQ as well as partners and other agencies—multiple daily updates.

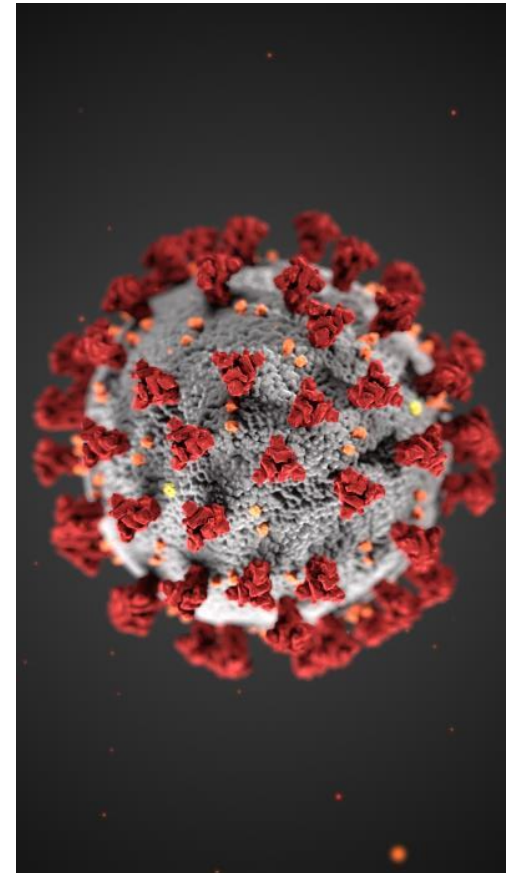
- Facebook: U.S. Small Business Administration
- Instagram: @SBAgov
- LinkedIn: U.S. Small Business Administration

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<https://www.sba.gov/offices/district/wi/milwaukee/updates>

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wisconsin@sba.gov

SBA Wisconsin District Office



Questions? Need Help?



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