



U.S. Small Business  
Administration

# Financial Assistance Available

For small business affected by COVID-19

- Debt Deferment or Relief:
  - Automatically deferring payments on existing disaster loans thru 12/31/20
  - Existing 7(a), 504 and microloans can be deferred – talk to your lender
  - SBA Debt Relief Program
    - The SBA will also 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.
- Loans:
  - Express Bridge Loan - \$25,000
  - Paycheck Protection Program
  - Economic Injury Disaster Loan
    - EIDL Advance of up to \$10,000

# SBA is OPEN for Business

- District Office teams are assisting people by phone and email as are our resource partners. Contact San Francisco District Office at [SFOMail@sba.gov](mailto:SFOMail@sba.gov)
- Our Resource Partners, SBDC, SCORE, WBC, VBOC, are ready to help with free business advising.
- Webinars: to find out when and where, sign up for our newsletter and we will push info to you as it becomes available
- SFDO Newsletter – sign up to have the latest information pushed to you.
  - Sign up: <https://www.sba.gov/ca/sf>
- [SBA.gov/coronavirus](https://www.sba.gov/coronavirus): contains latest program information
- Follow us on Twitter: @SBAgov and @SBA\_SF

# Resources

- SBA Disaster Loan Application
  - <https://covid19relief.sba.gov/#/>
- SBA's Customer Service Center (for Disaster Loans)
  - 1-800-659-2955 / 1-800-877-8339 (TTY)
  - Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)
- Paycheck Protection Plan
  - <https://www.sba.gov/paycheckprotection>
  - <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>
- SBA San Francisco District Office
  - [www.sba.gov/ca/sf](http://www.sba.gov/ca/sf)
  - [SFOMail@sba.gov](mailto:SFOMail@sba.gov)
  - (415) 744-6820 – leave message
- SF Resource Guide – Lists local resource partners/SBA lenders
  - [https://www.sba.gov/sites/default/files/files/resourceguide\\_3102.pdf](https://www.sba.gov/sites/default/files/files/resourceguide_3102.pdf)

SBDC helps clients to  
apply for SBA loans  
and other resources

Our services are  
**FREE**



*Presented by Dennis King*

# Introduction

This presentation is brought to you by the SBDC Silicon Valley

With support from Small Business Administration and  
The County of Santa Clara.



Start. Grow. Thrive.

# Small Business Development Center

- Largest federal program under the Small Business Administration to help start and grow small businesses.
- We provide services through workshops and one-on-one advising.
- Our local funding partner is the County of Santa Clara.
- We often work in partnership with local cities and other organizations such as Business Owner Space, SCORE and Chambers of Commerce.



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Start. Grow. Thrive.

# SBDC: Our mission

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**We provide ACCESS to information and resources to help you sustain and grow your business.**



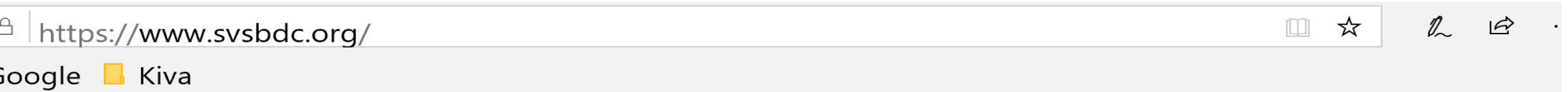
Where can you find us?

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**<https://www.svsbdc.org/>**

Start. Grow. Thrive.

# Where can you find us?



Silicon Valley SBDC San Jose, CA

APPLY NOW

CONTACT US



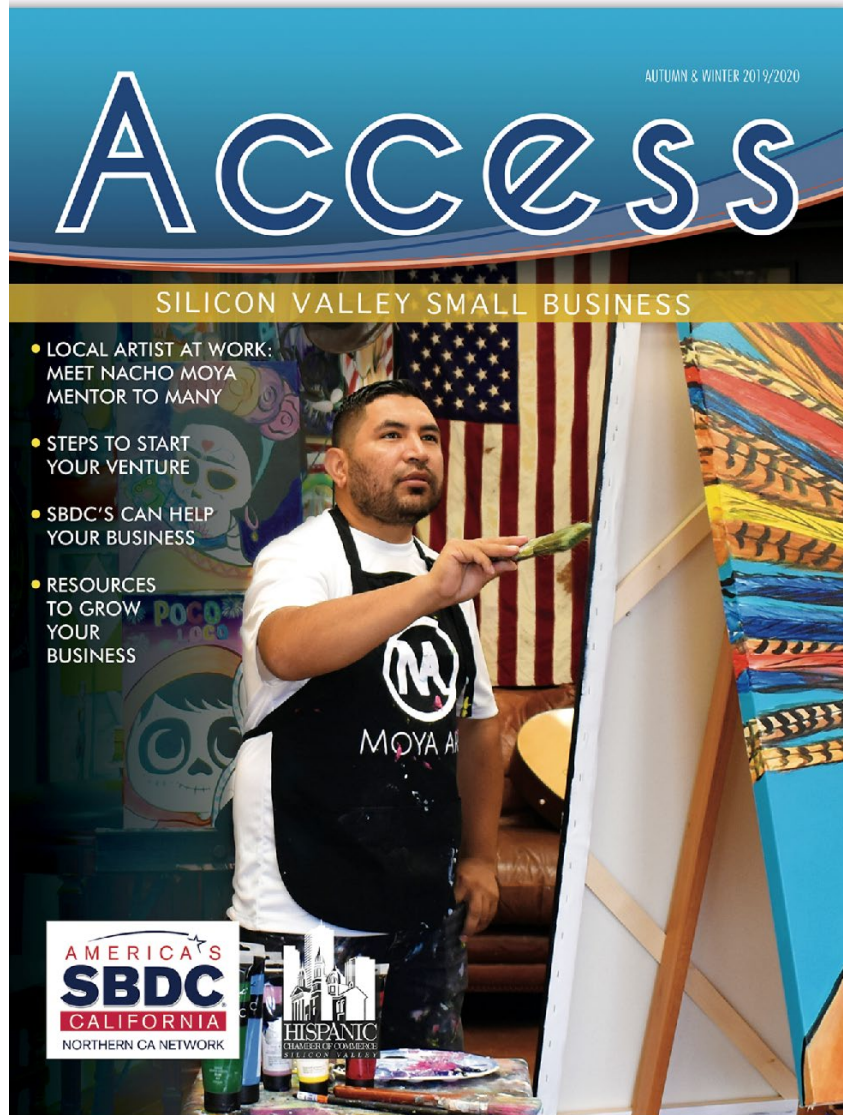
CALENDAR SERVICES ▾ ABOUT US ▾ SUCCESS STORIES COVID-19 INFO RESOURCES ▾

## COVID-19 SMALL BUSINESS RESOURCES

LEARN MORE +

We're dedicated to the success of entrepreneurs in the Greater Silicon Valley Area.

# Access Magazine



- <http://hccsv.com/index.html>

Start. Grow. Thrive.



# Advisors

SBDC ADVISORS

## SBDC BUSINESS ADVISORS SERVING SANTA CLARA COUNTY (Partial list)



Lourdes Arvizu



Frank Cancilla



Mary Castillo



Joe Cholko



Carl Davis Jr.



Edward Fike



Shawn Flynn



Anita Garcia



Edna H. Amezcua



Chris Horton



Jenny Huang



Shirley Interiano



Nancy Islas Aldaña



Margaret Jackson



Indu Jayakumar



Aileen Kao



Dennis King



Kristin Knaus



Bob Komoto



Allie Lopez



Connie Madrigal



Dawn Maher



Helen Masamori



Kevin McClelland



Jennie Z. Meehan



Jessica Muñoz



Jim C. Nguyen



Ngo Nguyen



Nicole Nguyen



Anne O. Ramirez



Lien Phan



Pablo Pineda



Yocanex Posadas



Carlos Reza



Armando Ricardez



Sandra Sanchez



Hillary Talbot



Juanita Velasco



Helen Wang



Our business experienced advisors can speak English, Spanish, Vietnamese, Chinese and other languages.

Start. Grow. Thrive.

# Our services

- Access to Capital is one of our fundamental services.
  - We work with many banks, credit unions, alternative lenders and other funding sources.
  - We are on your side, we represent our clients.
  - We can help our clients package their loan requests.
  - We can walk you through the steps for access to the Economic Injury Disaster Loan and Payroll Protection Program.

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SMALL BUSINESS LOANS UNDER THE CARES ACT

## DIFFERENCES BETWEEN LOANS

### PAYCHECK PROTECTION PROGRAM (7A PPP)

- > For all profit businesses and private non-profits.
- > Apply at your local SBA approved bank.

### ECONOMIC INJURY DISASTER LOAN (EIDL)

- > For sole proprietors, small agriculture coops & aquaculture, and private non-profits
- > Apply at [sba.gov/disaster](http://sba.gov/disaster)

Payroll Expenses   Employee Salaries Mortgage Interest   Rent and Utilities Interest on debt before 2/15/2020	LOAN USE	Payroll   Fixed Debts Accounts Payable   Other expenses that cant be paid because of COVID-19
<b>2.5X</b> Business's average monthly payroll for the prior 12 months	AMOUNT	up to <b>\$2 Million</b>
<b>-%</b> Fixed Annual Percentage Rate	RATE	<b>3.75%</b> Annual Percentage Rate
<b>1%</b> on unforgiven portion <b>2 year</b> fixed note	TERMS	<b>3.75%</b> small businesses   <b>2.75%</b> non profits to 30 years up   fixed note
up to <b>100%</b> with approval	LOAN FORGIVENESS	<b>Advance</b> Eligible for forgiveness
No payments for first <b>6 months</b> then a 10-year term loan	DEFERMENT	No payments for first <b>11 months</b> then a 10-year term loan

# Paycheck Protection Program

- Loan provided by participating lenders
- Designed to provide a direct incentive for small businesses to keep their workers on payroll by providing each small business a loan up to \$10 million for payroll and certain other expenses.
- Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll plus an additional 25% of that amount.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.
- Available: retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.



# PPP Details

- Eligible businesses: All businesses, including non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors
- Maximum loan: \$10 million
- Interest Rate: 1.0%
- Term: 2 years
- Payment deferral for 6 months
- 100% guarantee by SBA
- No collateral
- No personal guarantee
- No borrower or lender fees payable to SBA

# Economic Injury Disaster Loan (EIDL)

## What is it?

- Low-interest loan for working capital to small business suffering economic injury as a result of COVID-19
- Max loan size \$2 million
- Pay for financial obligations and operating expenses which could have paid had the disaster not occurred
  - Includes: Fixed expenses, rent, payroll, accounts payable, extraordinary expenses incurred due to disaster
  - Does not include: refinancing long-term debt
- Disaster loan provided directly by SBA
- Loan will be managed directly from US Department of Treasury

# The Details

- Credit Requirements
  - Credit history
  - Repayment ability (over 30 years)
  - Collateral
- Collateral
  - Loans under \$25,000 – no collateral
  - Loans over \$25,000 – pledge available collateral. SBA will not decline a loan for lack of collateral
- Interest Rates
  - Small businesses 3.75%
  - Non-profits 2.75%
- Loan Term– max 30 years. 15 or 30 years is typical

# Eligibility

Who is eligible to apply for EIDL?

- Small Businesses – meet SBA size standards
  - Small agricultural cooperatives
  - Small aquaculture businesses
- Private Non-profits
- Located in a declared area
- Independently owned and operated
  - Substantial business risk
  - Free from significant control

# Ineligible Businesses

What businesses are not eligible for EIDL?

- Gambling concerns
- Illegal activities
- Lenders
- Speculative businesses
- Pawn shops
- Real estate developer
- Religious organizations
- Government-owned entities
- Concerns engaged in sale of products/services of prurient sexual nature

# The Application Process

- Apply online <https://covid19relief.sba.gov/#/>
- Complete application
- SBA processes the application
  - EIDL Advance of \$10,000 within days
- Loan closed –SBA will send borrower loan docs
- Funds disbursed
- Repayment can be deferred

# Be careful

- CAUTION:
  - Constant Change
  - Predators
    - Be aware of false EIDLs.

# SBA Resources

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# Any Questions?



Thank you

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<https://www.svsbdc.org/>

We are here for you.

# Thank you, Small Businesses – We're here for you!

View the latest news, financial assistance, and other helpful resources for employers, employees, and local small businesses affected by the pandemic at [www.cupertino.org/covid19businessinfo](http://www.cupertino.org/covid19businessinfo)

or contact: Cupertino Economic Development Manager  
Angela Tsui at [angelat@cupertino.org](mailto:angelat@cupertino.org) or (408) 777-7607

