



COVID-19 Small Business Programs Loans and Grants Details

As of April 13, 2020

Please be advised that this information is current to the best of our knowledge as of April 13, 2020. As soon as updated information becomes available, this document will be updated.

Questions or For More Information Contact:

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The Economic Injury Disaster Loan (EIDL)

Eligibility

- Sole proprietors, independent contractors, cooperatives and employee-owned businesses and tribal small businesses, small agricultural cooperatives, 501 (c)(3) and (c)19 veteran private non-profits (with IRS tax exempt designation), may apply.
- For-profits under 500 employees and private non-profits of any size may apply.
- Some small agricultural cooperatives which meet the SBA size requirements may also qualify.

Uses of Funds

- Provides 6 months of working capital to cover monthly business expenses which include rent, utilities, accounts payable, loan payments, and payroll expenses.
 - Advance Request for a near-immediate Advance of up to \$10,000. This is based on the number of employees pre-disaster as of January 31, 2020. The Advance will provide \$1,000 per employee up to a maximum of \$10,000.
 - Does not need to be repaid and can be used for rent, payroll, utilities, mortgage payments, and other operating expenses.
 - The only way to access this grant is to apply for the EIDL.

Terms

- Thirty year payback for all loans.
- Payments are deferred for first year, but interest accrues immediately
- No pre-payment penalty
- No fees
- Fixed-rate 3.75% interest rate for small businesses and 2.75% interest for non-profits.
- Maximum loan is \$2M.
- No collateral under \$25,000. Over \$25,000 collateral may include furniture, fixtures, equipment etc. if available.
- Personal guaranty over \$200,000.
- No specific credit score is required, however, SBA will verify the loan can be repaid.
- The intent is to provide an advance of up to \$10,000 within 3 days of submitting the application via a direct deposit to the business or non-profit bank account.
- The loan and grant are direct from the Federal SBA and is funded through the US Treasury.
- There is no obligation to accept the EIDL once an SBA Loan officer contacts the applicant to discuss the loan.

Process

- Fill out the application at <https://covid19relief.sba.gov/#/>
- Check grant request on application
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- The intent is to fund this within three weeks of submitting the loan application.
- Loan reviewer preparation documentation.
 - Tax Return Request - Form 4605 T <https://vvreo.com/assets/COVID-19/4506T%20Form.pdf>

- Personal Financial Information- Form 413 https://vvreo.com/_assets/COVID-19/SBA_Form_413_7a-504-SBG.pdf

The Paycheck Protection Program

Eligibility

- Small businesses with 500 or fewer employees except for restaurants and hospitality industries including nonprofits (501(c)3), faith-based organizations, veteran organizations (501(c)19), tribal businesses, self-employed individuals, sole proprietorships, and independent contractors
- Start date for applications: April 3 for small businesses, non-profits, and sole proprietorships, April 10 for independent contractors and self-employed individuals
- Business or payroll provider must have an Employer Identification Number (EIN)

Uses of Funds

- Provides funds to pay up to 8 weeks of payroll costs including benefits. Can also be used to pay interest on mortgages, rent, and utilities.
- Funds are provided in the form of loans that will be fully forgiven when 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).
- In order for the loans to be forgiven, employers MUST keep employees on payroll at the same salaries as before the crisis or quickly rehire employees once the crisis passes.
- The loan amount is 2.5 times average monthly gross payroll costs including salaries, wages, commissions, health insurance. Retirement benefits, vacation, sick leave, state taxes, local taxes, excluding federal withholding and FICA.
- Calculation based on 2019 monthly average, or January and February of 2020 if not in business in 2019, or for seasonal business use a twelve week period beginning February 15 or March 1 to June 30.
- Cannot include individual salary amount over \$100,000, but all benefits may be included.
- Do not include independent contractors in the calculation.
- Only 25% is to be used for rent, mortgages, utilities and other expenses

Terms

- Six months of deferred payments with interest accruing at time of loan
- Maximum loan is \$10 million not to exceed 250% of monthly payroll costs
- Two year repayment of non-forgiven portion of loan
- No collateral or personal guarantees are required.
- No fees charged by the government or lenders.
- Fixed-rate 1.0% (can be up to 4 percent) loan
- No pre-payment penalty
- Detailed records must be maintained for loan forgiveness.

Qualifications

- Loan is processed through any SBA approved lenders.
- May only apply at one lender
- Example of application process and document request by one bank
 - Upload proof of payroll with file size and number of files restrictions
 - Request 2.5 times monthly payroll

- Want zeros in the application where accounts payable information requested
- Lenders provide the application, which may be different by lender. Current known lenders in Yavapai County: Foothills Bank, National Bank of Arizona, BBVA, OneAZ Credit Union, Chase, and Wells Fargo.
- Other lenders include: Paypal, DreamSpring, Square, and Intuit. DreamSpring and PayPal are accepting applications as of April 13, 2020.

Resurces

- FAQ - <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>
- Borrower Information Sheet - <https://home.treasury.gov/system/files/136/PPP%20Borrower%20Information%20Fact%20Sheet.pdf>

Express Bridge Loan

Eligibility

- Application through **March 13, 2021**.
- Must be made through a qualified SBA Express Lender.
- Eligible small businesses must have a pre-existing banking relationship with the SBA Express Lender prior to March 13, 2020.
- The small business must have a physical presence in the area where the disaster is declared. This can include a home office.
- An applicant can obtain only one (1) EBL. The EBL will NOT count toward the maximum number of SBA Express loans a borrower can have, but it WILL count towards the maximum limitation on the amount of 7(a) loans a borrower can have. *See Express Bridge Loan Program Guide for more information.*

Terms

- Maximum loan amount is \$25,000
- Rate can be up to 6.5% over Prime, either fixed or variable depending on lender standards
- Term loan for a maximum of 7 years (cannot be a line of credit)
- Loan is guaranteed by the SBA and counts towards the SBA maximum guaranty exposure for all SBA Express Loans with the lender.
- Can only be used for the business survival or to reopen the business
- Subject to the same upfront fees as with SBA 7(a) loans
- Lender may charge annual service fees as with SBA 7(a) loans and other fees.

Qualification Criteria

- Business owner cannot get credit elsewhere, meaning they cannot obtain loan funds at reasonable rates from non-Federal sources
- Business was operational on or before March 13, 2020
- Owner can demonstrate that COVID-19 has adversely affected their business
- Business has a FICO Small Business Credit Score of at least 130
- Owner/guarantor has a satisfactory personal credit score under the lender's standards
- Business must be small under SBA size requirements for that industry
- Business cannot have any associates who are incarcerated, on probation, on parole, or subject to an indictment, criminal information, arraignment, or have any formal criminal charges against them in any jurisdiction
- Owner cannot have any delinquent Federal debt or prior loss to the government, unless it was waived by the SBA for good cause.

Local First Arizona Small Business Relief Fund

Local First Arizona has created the Small Business Relief Fund to provide mini-grants (typically ranging from \$1000 - \$2500) to locally-owned small businesses. Local First Arizona is attempting to serve as many individuals and families in need as possible.

Eligibility Criteria:

- The business has 0-3 employees.
- The business had less than \$250,000 in gross annual revenue (approximately \$35k-\$45k in net profits)
- The business is independent and locally-owned (no franchises allowed at this time)
- Priority will be placed on business owners with children under 18 at home.
- This business serves as the sole income for the business owner's family.
- Only one application per business will be accepted for the Small Business Relief Fund.

For more information and to apply: <https://www.localfirstaz.com/small-business-relief-fund> .This is a simple application process and easy to quickly fill out.