Michigan Small Business Development Center

Navigating the Federal Small Business Assistance Landscape
SBDCMichigan.Org

COVID 19
Register for Consulting
Register for Training
Federal Assistance Programs

• Economic Injury Disaster Loan (EIDL)
• Working Capital Loan 3.75% over term up to 30 years
• Includes an emergency cash advance of up to $10,000 which will be forgiven if used according to regulations (GRANT)
• Simple application https://covid19relief.sba.gov/#/
• All online
• 12 month built in deferral
• Applications open until December 31, 2020
• DIRECT SBA LENDING
Small Business Debt Relief Program

• Provides immediate relief of all non-disaster SBA loans (7a, 504, microloans, and Community Advantage loans)

• SBA pays loan payments including principal, interest and fees for six-months. Started 3/27/20

• Available for new borrowers who take out loans within six months of President signing bill into law. (3/27/2020)

• Banks will not accept checks but will call to determine if they will return or you want on principal
Payroll Protection Plan (1)

- Lending through SBA approved banks ENDS JUNE 30, 2020
- Provides 100% federally guarantees loans to employers who maintain their payroll during the emergency.
- Covers 8 weeks of Payroll (Based on average monthly payroll x 2.5=loan amount)
- 6 months deferral interest at .5%
- Determine payroll costs (wages, taxes, benefits, tips, vacation, sick pay, retirement, (NO BONUSES)
- ONE TIME ONLY
Payroll Protection Plan (2)

- Additional loan amount can be used for interest on mortgage or other debt, utilities or rent
- Example: Average Payroll $10,000/month
  - X 2.5=$25,000 loan
  - $20,000=8 weeks payroll
  - $5,000= interest on debt, lease or utilities
- Forgivable documentation and verification*
- Can be used in conjunction with EIDL but not for the same purposes
Express Bridge Loan

• Provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to $25,000 for disaster-related purposes.

• Effective March 25, 2020, EBL must be made with in 6 months of effective date.

• SBA Express Lenders

• Max 7 year term Lenders determine rate

• 36 hour approval

• Will be repaid in full or in part by proceeds from the EIDL loan

• Not available with PPP
• **Employee retention Credit**
  • Refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during COVID 19 crisis.
  • Suspended fully or partially due to government order limiting commerce.
• **See IRS rules**
• Delay of Payment of Employer Payroll Taxes
• Through end of 2020, spread to 2 payments at end of 2021 and 2022
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• Counseling

• Training

• COVID 19 Info