

# Michigan Small Business Development Center

Navigating the Federal Small  
Business Assistance  
Landscape



In partnership with:



# SBDCMichigan.Org

COVID 19

Register for Consulting

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In partnership with:



# 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

# Small Business Tax Provisions

- 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