



U.S. Small Business
Administration

SBA: Economic Injury Disaster Loan and Payroll Protection Program

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SBA Loan Options

- ❖ **Economic Injury Disaster Loans (EIDL):** Small business loan to cover the temporary loss of revenue as a result of the COVID-19 pandemic
- ❖ **Payroll Protection Program (PPP):** Small business loan to keep workforce employed during the COVID-19 pandemic



Economic Injury Disaster Loan (EIDL) Summary

Loan Amount	<ul style="list-style-type: none"> ❖ EIDL can provide up to \$2 million of financial assistance ❖ Actual loan amounts are based on amount of economic injury
Eligibility	<ul style="list-style-type: none"> ❖ Small businesses: independently owned and operated companies with 500 employees or less* ❖ Small agricultural cooperatives ❖ Most private nonprofit organizations ❖ Sole proprietorships* ❖ Independent contractors* ❖ Cooperatives with 500 or fewer employees*
Loan Terms	<ul style="list-style-type: none"> ❖ Interest rates: 3.75% for small businesses and 2.75% for non-profit organizations ❖ Loan terms up to 30 years ❖ Repayment will be determined by your ability to repay the loan
Loan Use	<ul style="list-style-type: none"> ❖ EIDL will provide loans for working capital <ul style="list-style-type: none"> ➤ Pay fixed debts (rent, etc.) ➤ Payroll, Wages, Employee Cost ➤ Outstanding Expenses Accounts Payable ➤ Other bills that can't be paid because of the disaster's impact ❖ Does not replace lost sales or revenue
Collateral	<ul style="list-style-type: none"> ❖ SBA requires collateral for loans of over \$25,000 (can use real estate as collateral) ❖ SBA will not decline a loan for lack of collateral - requires borrowers to pledge what is available

* Expanded eligibility under the CARES Act



Payment Protection Program (PPP) Summary

Loan Amount	<ul style="list-style-type: none">❖ 2.5 times average monthly payroll costs from 2019❖ Subject to \$10 million cap
Eligibility	<ul style="list-style-type: none">❖ Small businesses: independently owned and operated companies with 500 employees or fewer❖ Most private nonprofit organizations❖ Sole proprietorships❖ Self-employed individuals❖ Independent contractors❖ Businesses in certain industries can have more than 500 employees if they meet applicable SBA guidelines
Loan Terms	<ul style="list-style-type: none">❖ Interest rate: 0.5% fixed rate❖ Loan terms up to 2 years
Loan Use	<ul style="list-style-type: none">❖ PPP loans are forgiven if the loan is used only for the following:<ul style="list-style-type: none">➢ Salary, wages, commissions, or tips (Payroll costs capped at \$100,000 annualized for each employee)➢ Employee benefits (incl. costs of vacation, parental, family, medical or sick leave; allowance for separation or dismissal; payments required for the provision of group health benefits; and payment of any retirement benefit)➢ State and local taxes assessed on compensation➢ For sole proprietor or independent contractor: wages, commissions, income, or net earnings for self-employment
Collateral	<ul style="list-style-type: none">❖ No collateral is required❖ No personal guarantee requirement



How do I apply?

Emergency Injury Disaster Loans (EIDL)

Access Application Directly

- ❖ Online: Electronic Loan Application (ELA):
<https://disasterloan.sba.gov/ela>
- ❖ Paper Loan: download from www.sba.gov/disaster
 - Mailed to: US Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155

Required Documentation

- Completed SBA Loan Application (SBA Form 5) – *submitted electronically or by mail*
- Tax information Authorization (IRS Form 4506T)
- Complete copies of most recent Federal Income Tax Return
- Schedule of Liabilities (SBA Form 2202)
- Personal Financial Statement (SBA Form 413)

Payroll Protection Program (PPP)

Important Dates

- ❖ April 3, 2020: Application available to small businesses and sole proprietorships
- ❖ April 10, 2020: Application available to independent contractors and self-employed individuals
- ❖ June 30, 2020: Last date for PPP availability

Apply directly through existing SBA lender

- ❖ Can apply through any [existing SBA 7\(a\) lender](#)
Complete downloadable [application](#) by June 30, 2020

Required Documentation

- SBA PPP Application (SBA Form 2483)
 - Payroll expense verification documents
- IRS Forms 940 and 941
- Payroll summary report with corresponding bank statements
- Breakdown of payroll benefits (vacation, allowance for dismissal, group healthcare benefits, etc.)
- 1099s (for independent contractors)



When will I receive funding?

Emergency Injury Disaster Loans (EIDL)

- ❖ SBA will disburse funds within 5 days of execution of closing documents
- ❖ **If a business needs money immediately,** certain applicants can receive an advance of up to \$10,000 within 3 days of EIDL application submission
 - ❖ Requirement: Submit application between January 31 and December 31, 2020
 - ❖ Businesses will not be required to repay the \$10,000 advance even if SBA ultimately denies the application

Payroll Protection Program (PPP)

- ❖ This is dependent on the lending institution
 - ❖ Each bank is processing requests as soon as they can
 - ❖ You will receive status reports on your application from your lender



Banks & Neighborhood Developers

- Tony “Thurman” Smith
 - Many locations
 - PNC Bank
 - Online Only:
<https://www.pnc.com/en/customer-service/paycheck-protection-program.html>
- Look at currently registered banks here:
<https://www.sba.gov/paycheckprotection/find>




Find Eligible Lenders

Use this tool to find a nearby lender eligible to issue a loan under the Paycheck Protection Program.

Near

SEARCH

Results 21 - 25 of 57666

-  0.8 miles
JPMorgan Chase Bank, National Association >
-  0.9 miles
RBS Citizens, National Association >
-  0.9 miles
PNC Bank, National Association >

Contact Us

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