

COVID-19 BUSINESS LOAN AND DEBT-FORGIVENESS PROGRAMS

	SBA – Emergency Injury Disaster Loans (EIDL)	SBA Economic Injury Loan Advance (EILA)	SBA – Debt Relief Program (SBDR)	SBA – Paycheck Protection Program Loans (PPP)	SBA - Express Bridge Loan Program	MN DEED Small Business Emergency Loans	MN DEED Small Business Loan Guaranty	Lake of the Woods Emergency Business Loan Program
How do Borrowers Apply?	Business apply direct with SBA. SBA website www.sba.gov/disaster	Business apply direct with SBA. SBA website www.sba.gov/disaster	Waiting for further direction, appears to be automate.	Apply thru current 7(a) lenders.	Apply thru current SBA Express lenders	Apply through approved local Initiative Funds. See list at https://mn.gov/deed/business/financing-business/deed-programs/loan-guarantee/	https://mn.gov/deed/business/financing-business/deed-programs/loan-guarantee/	Contact Ryan Zemek Lake of the Woods EDA.
Eligible Businesses	For-profit and private non-profits	For-profit and private non-profits	Existing businesses with 504, 7(a), or micro loans from SBA prior to this disaster. Also applies to new (non-disaster) loan originating with in 6 mos of President's declaration	For-profit and private non-profits with less than 500 employees includes 501(c)(3) & c(19), and Tribal businesses, franchises, independent contractors, sole proprietors, self-employed	Limited to businesses that the Express lender had an existing relationship with on or before the disaster.	Those businesses noted in the Governor's Executive Orders 20-04 and 20-08 - such as restaurants, bars, entertainment establishments, salons, fitness centers, country clubs, assisted living, child care, and such.	Open to lender discretion excluding the ineligible businesses.	For-profit businesses impacted by the Governor's Executive Order within Lake of the Woods County.
Ineligible Businesses	Agriculture, religious orgs, chartiable orgs, gaming	Agriculture, religious orgs, chartiable orgs, gaming	Does not apply to new SBA disaster loans	Religious organizations, companies over 500 employees	Non-Express borrowers	Non-profits, passive investment businesses, gambling entities, those with no financial history, and businesses generating any income from adult-oriented businesses.	Businesses that derive income from passive investments w/out operational ties to operating businesses, gambling entities, and those that generate any income from adult-oriented activities.	N/A
Loan Amounts	Up to \$2 million (rule of thumb up to 50% of annual gross profits capped at \$500K) More extensive underwriting for larger requests.	Up to \$10,000	n/a	Up to \$10 million. If in business 2/15/19-6/30/19 qualify for up to 250% average monthly payroll. Newer business used 1/1/20-2/29/20. Can add EIDL loan balance to requested amount if you want to pay it off.	Up to \$25,000	\$2,500 - \$35,000	80% guaranty to lender up to \$200K, except in the event of significant losses and the fund gets depleted, then lenders seeking payout on guaranty will get a prorated share of remaining capital. DEED is reserving 20% of each loan amount.	Up to \$10k.

Debt Forgiveness	No	YES, this is a Loan Advance that will be forgiven	YES	YES, based on payroll costs plus interest on mortgage/rent over 8 wk period after loan funding?	No	Potential of 50% forgiven after 2 yrs - details on qualifying still unclear.	No	On a case by case basis. Businesses not able to access state and federal resources will have priority.
Interest Rate	3.75% - For-profit 2.75% Non-profit	n/a	n/a	Interest rate of .5% initially, if a portion is not forgiven it may have a maximum rate of 4.0%	??	0%	Determined by lender	0%
Term	Up to 30 years - Terms are determined on a case-by-case basis, based upon each borrower's ability to repay	n/a	6 months of payment forgiveness (P&I) beginning with next payment	Term is 2 years. The loan will be fully forgiven if the funds are 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). Loan payments will also be deferred for six months.	??	Payments deferred for 6 months. Amortize 1/2 the principal over 54 months beginning month 7. After 24 mos the remaining principal will be re-amortized over the remaining 36 mos.	Determined by lender	Maximum loan term of 2 yrs. 6 month deferred payment option.
Collateral requirement	Loans over \$25K only. Prefer RE, residence is an option. No equity in RE required.	n/a	n/a	No collateral, no personal guarantees required.	??	20% of the loan must be collateralized through a lien on business assets or a personal guaranty (limited/unsecured)	Determined by lender	Subordinate to Bank portion, require unlimited guarantees of all owners > 20%.
Loan Fees	?? Banks are allow to charge for loan packaging if assisting a borrower	n/a	n/a	SBA waiving all guaranty fees, including upfront and annual servicing fees. Lender may not collect any fees from borrower. No prepayment fee.	??	Out-of-pockets costs to secure collateral, if needed	Borrower costs are determined by lender. DEED charges .25% fee for guaranty	No closing costs from the loan fund.
Use of proceeds	Can be used to pay fixed debt pmts, payroll, A/P, other bills. Can pay off bridge loans resulting from crisis.	Can be used to pay fixed debt pmts, payroll, A/P, other bills. Can pay off bridge loans resulting from crisis.	n/a	Payroll, health benefits (paid sick leave, medical, family leave, premiums), Interest, rent, utilities	Immediate working capital	Working capital during this crisis, lease or mortgage payments, inventory, payroll - Must document expenditures -	To support lenders, to lend again for purposes of expansions, business relocations, equipment purchases, and working capital.	Working capital, equipment and other needs to support operations and stay viable through and after the COVID-19 crisis.

Financial information to submit	1 Yr TR or interim F/S if 2019 TR not complete, PFS & TR for 20% > owners, debt listing	n/a	n/a	Verify borrower was in operation 2/15/20 and had employees. Verify average monthly payroll costs. Follow SSA requirements.	??	2018 & 2019 TR or F/S if not filed, PFS for 20% owners, debt listing, 3 mos itemized operating expenses excluding laid off workers, & monthly sales figures. SBA forms provided with application.	Determine by lender	Application outlines supporting documentation
Other details	No need to advance available LOCs. May request addition funding after loan funding, if needed.	The application for this grant is at the end of the EIDL loan application and is available even if denied for EIDL or that application is still pending.		Lender receive 100% guaranty on these loans. Businesses cannot use PPP for same purpose (timeframe) as other SBA loans. Can access EILA and SBDP programs if no duplication of use of funds. Compensation to banks - \$350K < 5%, \$350K-\$2MM- 3%, and \$2mm > - 1%. Agent fees can come out of lender fees. Loans can be sold on secondary market.	A bridge to another term loan or EIDL.	Must apply for SBA EIDL and pay off if received. Must be current on financial obligations as of March 1, 2020. must not be able to get a loan from traditional lender.	No job requirements for businesses. May not request guarantee on an existing loan, must seek guaranty approval before closing loan.	Borrower will be required to apply for the SBA Disaster funding and if approved pay off the Emergency Loan Fund portion.
Does applying for this loan prevent me from applying for others?	No	No, however, part of the EIDL process.	No, but other loan funds cannot be designated for SBA debt payments.	No	No	No, actually it requires you apply for a SDA disaster loan and pay this off if received.	No	No, actually it requires you apply for a SDA disaster loan and pay this off if received.
Link to more details	https://www.sba.gov/disaster-assistance/coronavirus-covid-19	https://www.sba.gov/disaster-assistance/coronavirus-covid-19	https://www.sba.gov/disaster-assistance/coronavirus-covid-19	https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp#section-header-0	https://www.sba.gov/sites/default/files/2020-03/Express-Bridge-Loan-Pilot-Program-Guide-FINAL-3.25.20.pdf	https://mn.gov/deed/business/financing-business/deed-programs/peacetime/	https://mn.gov/deed/business/financing-business/deed-programs/loan-guarantee/	rzemek@hrdc.org