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NORTH TEXAS

UT TYLER-LONGVIEW SBDC

Today's Agenda

- I. Brief Introduction to the UT Tyler-Longview SBDC
- II. Economic Injury Disaster Loans (EIDLs)
- III. CARES Act Paycheck Protection Program Loans (PPP)

Presenters:

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Disclaimer: The information in this presentation is subject to change.

UT TYLER-LONGVIEW SBDC

Our Mission

To provide, at no cost, business advising and consulting services to entrepreneurs and small business owners, in order to help local small business start, grow and thrive.

Our Service Area

Gregg, Harrison, Marion, Panola,
Rusk and Upshur Counties

Which includes the cities of

Longview, Marshall, Jefferson,
Carthage, Henderson and Gilmer



UT TYLER-LONGVIEW SBDC

How are we able to do this?

- We are part of a national grant program administered by the Small Business Administration (SBA) – SBA Resource Partner
- Funded by the federal government (through SBA), state government and a host institution (usually a college or university)
- Staffed by seasoned entrepreneurs and business people
- Network consists of over 900 centers nationally with over 60 in Texas alone. Every county in the country is covered.

A sampling of the services we provide

- Financial projections and feasibility studies
- Business plan development
- Competitive analysis and marketing strategies
- SBA and conventional loan package development
- Advertising and social media campaigns
- Analyzing and restructuring current debt
- Business expansion, restructuring and turnaround strategies
- Market, demographic and industry research
- Business legal structures
- Buying or selling a business
- Government procurement and contracting
- And much more

What can small businesses do right now?

- BE PROACTIVE. BE CREATIVE. THINK OUTSIDE THE BOX.
- Reach out now to your banker, landlord, employees and suppliers.
- Get/keep financial records up to date.
- Document the business impact of this disaster.
- Apply for an SBA EIDL loan and/or a PPP loan.
- DO NOT LAY OFF EMPLOYEES (The PPP loans will forgive up to 8 weeks of documented payroll expenses).
- SEEK ADVICE (SBDC advisor, lawyer, CPA, business mentor, etc.).

Economic Injury Disaster Loan (EIDL)

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Economic Injury Disaster Loan (EIDL)

- No application fee
- If loan is approved borrower has six months to accept
- Only for small businesses and Private non-profits (check NAICS for size requirements on [Census.gov](https://www.census.gov))
- Loan made directly from SBA. No bank is involved.
- SBA will look at VERY loosely:
 - Credit
 - Repayment abilities
 - Collateral: under \$25k loan, no need for collateral
- \$2,000,000 limit

Economic Injury Disaster Loan (EIDL)

- 3.75% small business interest rate
- 2.75% private non-profit interest rate
- All loans will be for 30 years
- Can be paid off early with no penalties
- Loan payments deferred for 12 months
- Application process can take as little as 30 minutes if you have all your documents available

Apply online at covid19relief.sba.gov/#/

SBA Customer Service Center - **1-800-659-2955**

Email: disastercustomerservice@sba.gov

Economic Injury Disaster Loan (EIDL)

EIDL Loan Advance

- Up to \$10,000 made available within 3 days of successful application
- DOESN'T HAVE TO BE REPAYED

SBA – Express Bridge Loan

- Up to \$25,000 with a 7 year term
- Expires 9/30/20
- SBA guarantee is 50%
- Made through SBA preferred lender that does bridge Loans
- Eligible small businesses must already have lender relationship

Paycheck Protection Program (PPP or PPL)

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Paycheck Protection Program

- Paycheck Protection Program, the SBA has the authority to provide 100% federally backed loans through December 31, 2020 to help eligible businesses pay operational costs such as payroll, rent, and utilities
- If a business satisfies certain conditions, portions of the loans are forgivable
- Loan made through SBA Preferred lenders and other lenders that are being added soon
- SBA guarantees 100% of the loan

Paycheck Protection Program

- Includes full-time, part-time and any other status
- Coverage period 2/15/20 – 6/30/20
- Based on average total monthly payroll costs incurred during the one-year period before the date of the loan
- Maximum loan amount is the lesser of \$10 million or 2.5 times the average monthly payroll based on last year's payroll

Paycheck Protection Program

Not included in calculation:

- individual employee compensation over \$100,000;
- payroll and income taxes
- compensation for an employee with a principal place of residence outside the United States
- qualified sick leave or family leave wages for which a business will receive a credit under the Families First Coronavirus Response Act

Paycheck Protection Program

Use of proceeds:

- payroll costs
- cost related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- employee salaries
- interest payments on any mortgage
- rent and utility payments
- interest payments on any other debt obligations that were incurred before February 15, 2020

Paycheck Protection Program

Amount of forgiveness cannot exceed the principal amount of the loan, but may equal up to a business's costs during the **8 weeks** following the date of the loan's origination for the following categories:

- Payroll costs
- Interest on real or personal property mortgage obligations in existence before February 15, 2020 and incurred in the ordinary course
- Rent under a lease agreement in force before February 15, 2020
- Utility payments, including electricity, gas, water, transportation, telephone or internet, for which service began before February 15, 2020

Paycheck Protection Program

- If the business has “tipped employees,” the business may receive forgiveness for additional wages paid to those employees
- If borrowers re-hire workers that have already been laid off due to COVID-19 (within 30 days of the enactment of the CARES Act), they will not be penalized or have the loan forgiveness reduced by any reduction of employees or reduction in payments to employees, **so long as the workers are re-hired on or before June 30, 2020**
- Any loan amounts that are not forgiven at the end of one year are carried forward for a max term of 10 years at max interest rate of 4%, and the 100% loan guarantee remains during the term

Paycheck Protection Program

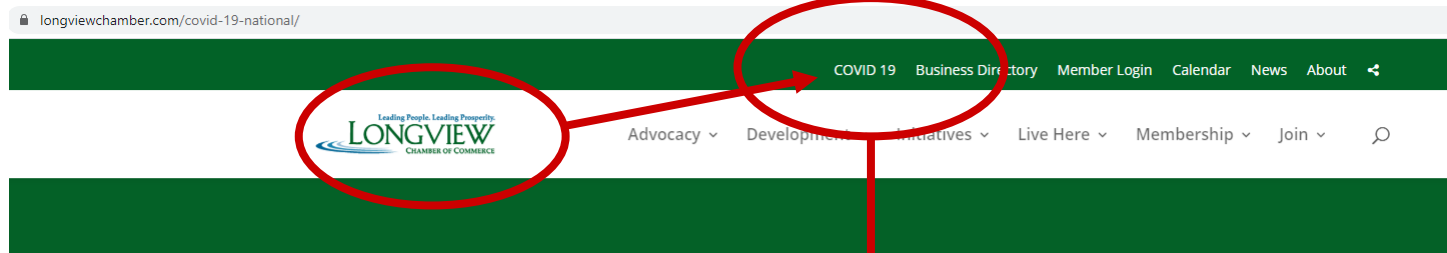
- No Collateral or Personal Guarantee
- Loan Fees waived
- Deferral of Payments from 6 months to a year
- No Prepayment Penalties
- Maximum Rate and Term: 4% and 10 years
- A business obtaining a loan through the Paycheck Protection Program will not be able to use the payroll tax credits available under the Families First Coronavirus Act for employee retention or the deferral of employer-side social security payroll taxes under the CARES Act

SBA Coronavirus Relief Table

Source: The Coleman Report **Disclaimer: The information on this table is subject to change.**

SBA Coronavirus Relief					
	Existing SBA 7(a) Loans	Paycheck Protection Program (PPP)	SBA Express Loans	SBA Express Bridge Loans	Economic Injury Disaster Loans (EIDL)
Maximum loan size	\$5 million	\$10 million	\$1 million (temporarily)	\$25 thousand	\$2 million. \$10 thousand advance
Deferment	Through December 31, 2020	6 months to 1 year	Through December 31, 2020	Through December 31, 2020	May be deferred up to 4 years, currently through December 31, 2020
Maximum guaranty	85% for loans up to \$150,000 and 75% for loans greater than \$150,000	100%	50%	50%	N/A
Maximum interest rates	Prime + 2.75%	0.5%	Prime + 6.5%	Prime + 6.5%	3.75% for businesses and 2.75% for nonprofits
Size Eligibility	Based on SBA's size standards	500 or fewer employees	Based on SBA's size standards	Based on SBA's size standards	Based on SBA's size standards
SBA Turnaround Time	5-10 business days	"Same day"	36 hours	36 hours	2-3 weeks for disbursement
Collateral	For loans over \$350,000, collateralize the loan to the maximum extent possible	No personal guaranty or collateral	Lenders' existing collateral policy for loans over \$25,000	No collateral requirement	Personal guarantees have been modified and/or eliminated
Forgiveness	Yes	Yes	No	May be repaid in full or in part by proceeds from an SBA EIDL loan	Does not need to be repaid if used for payroll

There are great links & resources on the Longview Chamber Website!



National Resources

We have compiled national resources for you on the COVID-19 response to provide a one-stop resource center for you.

Click on a resource below for more information.



US Chamber of Commerce

Download Resources Below:

[Downloadable, Cutsomizable Workplace Flyer](#)

[Coronavirus workplace tips for employees](#)

[Guidance for emolovers to plan](#)



Centers for Disease Control and Prevention

Download Resources Below:

[Interim Guidance for Businesses and Employers](#)



The Environmental Protection Agency

Download Resources Below:

[Disinfectant List](#)



Small Business Administration

Download Resources Below:

[Three Step Process SBA Disaster Loans](#)

[SBDC Resources](#)

[Webinar Material](#)

[SBA Disaster Assistance Handout](#)

UT TYLER-LONGVIEW SBDC



One-on-One Small Business
Consulting and Advising

Serving Gregg, Harrison, Marion,
Panola, Rusk and Upshur Counties

Offices in Longview and Marshall

For an appointment call **(903) 757-5857**

For more information visit www.utt Tyler-longviewsbdc.org



Contact Information

Economic Injury Disaster Loan Customer Service phone, email & website:

800-659-2955

disastercustomerservice@sba.gov

<https://covid19relief.sba.gov/#/>

CARES Act Paycheck Protection Program Loans:

Contact your local SBA Preferred Lender



U.S. Small Business
Administration

Dallas/Fort Worth District Office
150 Westpark Way, Suite 130
Euless, TX
Phone: 817-684-5500
Fax: 817-684-5516

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