



# COVID-19 RELIEF LOANS

## SMALL BUSINESS ADMINISTRATION (SBA) DISASTER RELIEF LOAN

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The SBA is a federal agency that provides educational and financial resources for small businesses. During disasters the SBA provides Disaster Relief Loans for impacted businesses. The SBA is providing disaster relief loans to small businesses experiencing a temporary decrease in revenue due to COVID-19.

### Loan Features

- Businesses may be eligible for loan amounts ranging between \$5,000 and \$2,000,000.
- Small business interest rate: 3.75%.
- Non-profit interest rate: 2.75%
- Funds may be used for all operating expenses.
- 30-year loan structure
- Initial payment can be extended 5 months after approval of the loan.

### Loan Eligibility

- Your business must qualify as a small business. [Check to see if you qualify here.](#)
- If your business has experienced or is projected to experience a loss between the dates of January 31, 2020 to December 15, 2020 as a result of the COVID-19 Pandemic.
- Your business has not yet received disaster relief from another public or private lender.
- Your business must demonstrate that it can repay the debt and is currently borrowing less than \$5,000,000 from the SBA.
- Any person or entity with an ownership stake of 20% or more will be required to provide a personal guarantee for the loan.
- *Limitations* - SBA loans are *not* available for businesses that are speculative in nature or any businesses that violates federal laws, such as cannabis businesses.

### Applications

- [Click here](#) to complete the online application.
- [Click here](#) download the hard copy version of the application.

### Required Documentation

- [IRS Form 4506T](#) – Complete one application for each of the applicant's principals owning 20% or more of the business, each general partner or managing member, and any owner who holds more than 50% of an affiliated business.
- At least 3 years of complete federal business income tax returns for the applicant business. If tax returns are not available, an explanation of why the returns are not available may be submitted with profit & loss statements for the last 3 years as a substitute.
- [SBA Form 413](#) (Personal Financial Statement) must be completed by the applicant, each principal owning 20% or more of the applicant business, each general partner, and each managing member.
- [SBA Form 2202](#) (Schedule of Liabilities) – Liabilities and fixed debt may be used to create this schedule.

## CALIFORNIA DISASTER ASSISTANCE LOAN GUARANTEE

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For businesses that do not qualify for the above SBA loan, California's Small Business Finance Center (SBCF) partners with privately held financial institutions when the governor declares a state of emergency. The partnership guarantees small business loans (maximum of 750 employees) to assist in mitigating losses caused by disasters such as the COVID-19 pandemic.

### Loan Features

- SBCF will guarantee 90% of any small business loan amount up to \$2,500,000.
- SBCF will guarantee loans with up to a 7-year term.
- Funds may be used for repairing or replacing real property, fixtures, machinery, inventory, equipment, and leased improvements.
- Interest rates are negotiated between the applicant and the lender.

Visit the [Northern California Small Business Development website](#) for more information about the California Disaster Assistance Loan Guarantee.

## PAYCHECK PROTECTION PROGRAM (PPP)

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The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. If small businesses maintain payroll through this economic crisis, some of the borrowed money through the PPP can be forgiven – the funds will be available through June 30, 2020.

### Loan Eligibility

- Your business (including sole proprietorships, independent contractors and self-employed persons) must have less than 500 employees.
  - Businesses in the hospitality and food industry could be eligible at a store/location level if the location employs less than 500 workers.
  - Businesses in certain industries who have over 500 employees may still qualify if they meet the [SBA's size standards](#) for those industries.

### Loan Features

- Funds up to 2 times the businesses average monthly payroll costs. Plus, an additional 25% of that amount – capped at \$10 million.
  - Payroll calculations differ for businesses that are seasonal, non-essential, and firms that opened in 2020.
- Payments deferred 6 months, 2-year loan structure, interest rate of 0.5%
- Potential to be fully forgiven if:
  - The funds are used for payroll costs, interest on mortgages, rent, and utilities – at least 75% of the forgiven amount must have been used for payroll.
  - You maintain your full-time staff and do not decrease salaries/wages by more than 25%.

### How to Apply

- Businesses can apply through a participating SBA7(a) lender, bank, or credit union that already offers Small Business Administration Loans – contact your current bank/lender to inquire.
- [Click here](#) to download a sample application form – your lender will need payroll documentation.

For more detailed information about the Paycheck Protection Program – [click here](#).



## **SAN FRANCISCO COVID-19 SMALL BUSINESS RESILIENCY FUND**

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For businesses located in San Francisco, you may be eligible for funds through the partnership of the City of San Francisco and the Northeast Community Federal Credit Union. Learn more about the Small Business Resiliency Fund, [here](#).