

THE FACTS

Coronavirus Aid, Relief, and Economic Security Act (CARES)

The SBA will oversee the Paycheck Protection Program, which will distribute \$350 billion in 100% federally guaranteed loans to small businesses. These loans can be partially forgiven if the companies maintain their payrolls during the crisis or restore it afterwards.

Who's Eligible:

- ▶ **Company or 501(c)(3) with 500 or fewer employees.**
- ▶ **A sole proprietor or independent contractor.**
- ▶ **Anyone self-employed in a trade or business.**
- ▶ **A tribal business meeting SBA standard size.**
- ▶ **501(c)(19) Veterans Organizations SBA standard size.**

Loans can be up to 2.5 times the borrower's average monthly payroll costs, not to exceed \$10M.

Included payroll costs:

For employers: salary, wages, tips, payment for vacation/parental/family/sick leave, allowance for separation or dismissal, required group healthcare, insurance premiums, retirement benefits, taxes assessed on employee compensation.

For sole proprietors, independent contractors, and self-employed: wage, compensation, income, net savings from self-employment not to exceed \$100,000.

Excluded payroll costs:

Individual salary more than \$100,000, payroll · railroad retirement · income taxes, employee living outside the U.S., qualified sick or family leave wages for a credit allowed under Families First Coronavirus Response Act section 7001, 7003.

For more information, call **(202) 224-5175**.

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

FAQs Paycheck Protection Program (PPP)

What will lenders be looking for?

Businesses should have been in business before February 15, 2020. The loan request must be necessary. The loan will be used to retain employees, maintain payroll, or make mortgage or utilities payments. The borrower may not have duplicate applications or have already applied a loan for the same purposes and amount. Sole proprietors, independent contractors, and self-employed individuals must have documents such as Forms 1099-MISC, payroll tax filings, etc.

Where can I apply for the Paycheck Protection Program?

You can apply at any lending institution approved through the U.S. SBA lending program. You can find an approved lender through the Lender Match Tool, <https://www.sba.gov/funding-programs/loans/paycheck-protection-program>, or the Women's Business Center, 866-353-3790 or 561-265-3790.

I am an independent contractor, am I eligible?

Yes. Independent contractors, sole proprietors, gig economy workers, and self-employed individuals are all eligible.

How much can I borrow?

Any small business can borrow 250% of their average monthly payroll expenses and any additional amounts to pay debt obligations.

How can I use the money for the loan to be forgiven?

The amount of the principal that can be forgiven is equal to the sum of expenses for payroll (up to \$100,000), existing interest payments on mortgages, rent, leases, and utilities.

When is the loan forgiven?

The loan is forgiven at the end of the 8-week period after you take it out.

What is the period covered by the loan?

The period during which expenses can be forgiven is February 15, 2020–June 30, 2020.

Am I responsible for the interest on the forgiven loan amount?

No. If the full principal of the loan is forgiven, you are not responsible for the interest accrued in the 8-week period.

What are the interest rate and terms for the loan amount that is not forgiven?

The terms of the loan differ on a case-by-case basis. The maximum terms of the loan feature a 10-year term with interest capped at 4% and a 100% loan guarantee by the SBA. However, the Treasury has set the interest rate at 0.5%.

I took out a bridge loan with the state – can I still apply?

Yes.

When is the deadline to apply?

The deadline to apply for the PPP is **June 30, 2020**.



SBA Loans

- Long-term loan
- May borrow up to \$2M
- Available to businesses; must be for profit
- Interest rate: 2.75%–3.75%
- The term of the loan is 30 years
- Can repay the Small Business Emergency Bridge Loan

Criteria for eligibility includes:

- ▶ **Proof of ability to repay**
- ▶ **Must be physically located in the disaster area · Must have suffered economic injury**
- ▶ **Must be an independently owned and operated business**
- ▶ **Cannot have credit elsewhere**

Required documents include:

- ▶ **SBA Loan Application**
- ▶ **Tax Information Authorization Form (IRS Form 4506T)**
- ▶ **Federal Income Tax Return (most recent)**
- ▶ **Schedule of Liabilities (SBA Form 2202)**
- ▶ **Personal Financial Statement (SBA Form 413)**
- ▶ **Current P&L Statement**

To apply, click here:

<https://disasterloan.sba.gov/apply-for-disaster-loan/index.html>

Florida Emergency Bridge Loans

- Short-term loan
- Award amount is \$50,000.
- The loan is interest free for the one-year loan term; the interest rate on the balance is 12%.
- Fast tracked loans, Express Bridge Loan, of \$25,000 are available to individuals with a 680+ FICO score.
- Applicant(s) must have 51% ownership in the business.
- Only one loan per business is allowed. If an individual owns more than one business, an application can be made for each business. A business with multiple locations is considered one business.
- The business must be located in Florida, established and operating.
- The business may be non-profit.
- There must be 2–100 employees.

Required documents are:

- ▶ **2 years Business Tax Receipts**
- ▶ **Employer Statement**
- ▶ **Personal Income Tax Statement for each owner**
- ▶ **Letters of Explanation, if necessary (e.g., low credit score)**
- ▶ **Interim Financial Statement**

To apply, click here: <https://www.sba.gov/funding-programs/disaster-assistance>

Deadline to apply is **May 8, 2020**.

Enterprise Florida

Enterprise Florida administers the Florida Micro Finance Guarantee Loan Program. To apply, small businesses can go to the following financial institutions:

- Miami Bayside Foundation
- Ameris Bank
- First Citrus Bank
- Seacoast National Bank
- Neighborhood Lending Partners of FL
- Harbor Community Bank
- United Bank
- Citizens Bank & Trust
- CenterState Bank
- First Commerce Credit Union

To be eligible, a business:

- ▶ **Must be located in Florida.**
- ▶ **Must have 25 or less employees.**
- ▶ **Have annual gross revenue of \$1.5M or less for the past 2 years.**
- ▶ **May not be engaged in pyramid sales, activities prohibited by law, engaged in gambling enterprises.**
- ▶ **May earn less than 33% of its annual net revenue from lottery sales.**
- ▶ **Does not earn more than half of its annual net revenue from lending.**

(407) 956-5613

<https://www.enterpriseflorida.com/small-business/microfinance-guarantee-program/>

DHES Micro Loan

The Palm Beach County Department of Housing and Economic Sustainability offers micro loans to small, local businesses.

- Must be a for-profit business
- Loans up to \$10,000
- Interest rate is fixed at 5%
- Terms of the loan: 5–7 years
- Collateral required

- Personal guarantees from persons with 20% ownership
- \$100 application fee; 2% closing cost

(561) 233-3600

<http://discover.pbcgov.org/HES/Pages/Palm-Beach-County-Business-Loan-Program.aspx>

BBIF

The Black Business Investment Fund provides loans to any businesses registered and operating in Florida. Owner must be a U.S. citizen and able to show proof of ability to repay.

- Loan Amount \$5,000–\$250,000
- Terms: Short-term 1–7 years
Long-term 25 years
- Processing period 4–6 weeks

Contact: **Danielle St. Luce (305) 570-2681**
<https://bbiflorida.com/>

BBIC

The BBIC is a not-for-profit organization formed by the financial and business community. The BBIC's main objectives are to ensure that Black businesses have the opportunity to obtain financing and other resources to compete in the market place, and to foster increased employment and social stability within the Black community.

The services to qualified businesses owned by Black citizens include business loan guarantees, bonding, equity capital, and assistance to Blacks who cannot obtain financing through other conventional sources.

Loans begin at \$10,000 with an interest rate determined by the bank. The terms of these loans vary depending on the type of loan.

(561) 845-8055

<http://discover.pbcgov.org/HES/Pages/BBIC.aspx>

FAMU Federal Credit Union Micro Loan

FAMU Federal Credit Union has partnered with the Florida Department of Economic Opportunity to administer the Black Business Loan Program. This program provides lending opportunities and technical assistance throughout Florida.

- Short-term loans: 3-5 years
- \$10,000-\$100,000
- Interest rate is 3%

For more information, contact:

ReAndra Hall (850) 300-7281

<https://famufcu.com/black-business-loans/>



Palm Beach County
Board of County Commissioners

First Union Lending

- Small business loans ranging from \$10,000-\$10,000,000.
- Short term, mid-term and long-term loans available. Interest rates vary.
- Underwriters will review the file to determine which one of the loan options are available.

For details, visit:

<https://firstunionlending.com/application-process-1/>
[firstunionlending.com]

Broward County Office of Economic and Small Business

The Broward County Office of Economic and Small Business Development is providing technical support and assistance in the Bridge Loans and SBA Loans application process to local small businesses.

For details, contact:

Steve Tinsley (954) 357-6400

<https://www.broward.org/EconDev/Pages/default.aspx>

Contact Information

Palm Beach County Office of Equal Business Opportunity

Antonia Smith | (561) 616-6840

asmith5@pbcgov.org

<http://discover.pbcgov.org/oebo/Pages/default.aspx>

Small Business Development Center

Sandra Marín | (561) 762-5235

<http://www.fau.edu/sbdc/>

Department of Housing and Economic Sustainability

Meri Weymer | (561) 233-3675

mweymer@pbcgov.org

<http://discover.pbcgov.org/HES/Pages/default.aspx>

Our Micro Lending

Our Micro Lending provides loans to small business in Palm Beach County, Broward County, and Dade County.

Loan amount and terms depends on the company's cash flow. Must report cash flow for one year.

FICO is not a factor in the loan decision.

For more information, contact:

Omar Alireza (305) 854-8113

<https://www.ourmicrolending.com/about-us/>