Agenda

1. Disaster Loan Assistance from the US Small Business Administration for Small Businesses and Non-Profits

2. Non-Financial Assistance from the US Small Business Administration and our Partners

3. Additional Resources
Economic Injury Disaster Loans (EIDL)

- Loans up to $2 million; no payments for 12 months
- Small businesses and private non-profits are eligible
- May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster
- 3.75% interest rate for small businesses *without credit available elsewhere*; businesses with credit available elsewhere are not eligible.
- 2.75% for private non-profits
- Long-term repayments for COVID crisis will be 30 years
Additional EIDL Details

- No cost to apply
- No obligation to take the loan (if offered)
- Amount should reflect 6 months operating expenses
- Existing SBA loans are OK:
  - Applicant can have an existing SBA Disaster Loan and still qualify
  - Applicant can have other existing SBA Loan (7a, 504, etc) and still qualify
  - Loans cannot be consolidated
- Collateral:
  - If over $25,000 EIDLs require collateral
  - SBA will not decline for lack of collateral, but requires the pledge of what is available
  - Real estate when available
Who is Ineligible

- Any business where gambling is more than 1/3 of annual gross revenue
- Casinos & Racetracks where their purpose for being is gambling
- Businesses of a prurient sexual nature
- Pawn Shops if more than 50% of income derives from interest
- Religious Organizations
- Investment or Lending companies
- Charitable Organizations (private non-profits are OK)
- All Speculative Activities
- Agricultural Enterprises
Criteria for Approval

- **Credit History** - acceptable to SBA.

- **Repayment** - business must exhibit the ability to repay the loan. Were you current on your obligations as of Jan 31?

- **Eligibility** - business must be located in a declared state and suffered working capital losses due to the declared disaster.
How to Apply for EIDL

• Works best with Internet Explorer or Microsoft Edge
• For the COVID-19 disaster everything will be online
• The website for applying for EIDL is www.sba.gov/disaster
• You may also contact the SBA disaster customer service center:
  • 1-800-659-2955
  • e-mail disastercustomerservice@sba.gov
  • TTY: 1-800-877-8339
What You Need to Apply

• In addition to the loan application:
  • Completed IRS Form 4506-Ts:
    • owner
    • each principal that owns 20% or more
    • each general partner or managing member
    • each owner who owns more than 50% of an affiliate business
  • At least two (2) years complete business tax returns with all schedules
    • UNLESS the loan is for under $500,000. In that case only 4506T is needed
    • If you haven’t been in business two (2) years; OK. Submit what you have.
  • Personal Financial Statement for each applicant
  • Schedule of Liabilities for all fixed debts

• Other information that may be requested:
  • A current year-to-date profit-and-loss statement, especially if the most recent Federal tax
    return has not been filed
  • SBA Form 1368 providing monthly sales figures
The Three Step Disaster Loan Process

1. Apply online per previous slide
   - Information is verified and credit checked
   - Forecasts are completed to determine the EIDL amount
   - A loan officer contacts you to make recommendation and discuss next steps
   - Decision normally takes up to 4 weeks

2. Loan Processing Decision
   - Sign and Submit Loan Documents
   - Initial disbursement of $25K within 5 days
   - A Case Manager is assigned that will help you with the rest

3. Loan Closes and Funds Disbursed
Important Notes About Your Application

• Please complete and submit everything required
  • Delays occur due to missing / incomplete information
• If more funds are needed, you can submit supporting documents and request an increase
• If less funds are needed you can request a reduction
• If denied you will be given up to six months to provide new information and a written reconsideration request
## Forbearance of Your Existing SBA Loan

### 7(a) Loans and Micro Loans
- Lenders may help with temporary cash flow issues by deferring payments
- **For 7(a) loans**, up to six (6) consecutive months
  - *Unless guarantee has been sold, in which case 90 days*
- **For micro loans**, up to six (6) consecutive months
  - *Deferment may not cause the loan to extend beyond the maximum six (6) year maturity*

### 504 Loans
- CDCs may help with temporary cash flow issues by deferring payments
- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less
Important Non-Monetary Assistance from SBA

SBA has five local Resource Partners

- New Mexico Small Business Development Centers (SBDC)
- SCORE Mentors
- WESST Women’s Business Center (WBC)
- VBOC Veteran Business Outreach Center
- PTAC Procurement Technical Assistance Center

A range of help during the downturn, to include:

- Cash flow management / short term financial management
- Messaging / Social Media to stay engaged with customers
- Import/Export
- Supply Chain
- Strategic Planning and Financial Tune-Up; prepare to prosper after the disaster
- Planning for further disasters / Risk management / Insurance counseling
Additional Info / Resources

• SBA YouTube Channel disaster video:
  • https://www.youtube.com/watch?v=Xm_ss5QmBAE
  • NOTE: There are many videos on disaster applications, but all are not from the SBA. Beware!

• Your existing bank may do bridge loan
• More coming…
## Contact Information

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<thead>
<tr>
<th>New Mexico Small Business Development Center</th>
<th>Albuquerque SCORE</th>
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<tbody>
<tr>
<td>(505) 428-1362</td>
<td>(505) 248-8232</td>
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<tr>
<th>Women’s Business Center</th>
<th>New Mexico Procurement Technical Assistance Center</th>
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<tr>
<td>(505) 246-6900</td>
<td>(505) 224-5965</td>
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<tr>
<td><a href="https://www.wesst.org">https://www.wesst.org</a></td>
<td><a href="https://www.nmptac.org/">https://www.nmptac.org/</a></td>
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<tr>
<th>Veteran Business Outreach Center</th>
<th>U.S. Small Business Administration</th>
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<td>(505) 383-2400</td>
<td>(505) 248-8225</td>
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