

COVID-19 Response: Small Business Resources



**The Office of Congressman Salud Carbajal
California's 24th Congressional District**

••• A NOTE FROM CONGRESSMAN SALUD CARBAJAL •••

Our country and the entire world are experiencing a public health crisis unlike any in living memory. The impact on our lives has been unprecedented and we face trying times ahead. While reconciling all that has happened and is yet to pass, we must pull together as a global community.

Small businesses have been hit particularly hard by the immediate economic impacts of COVID-19. This guide has been put together to reflect resources available to aid small businesses from the federal, state, and local levels. The response to COVID-19 at all levels of government has been a quickly evolving picture. This is especially true federally, as congressional leadership and the administration continue to negotiate relief packages. This guide will be updated as things change, and I encourage you to stay in touch with my office as we move through the coming months.

Our path forward is only just beginning. Please know I am committed to working with our local, state, and federal officials to ensure that the federal government provides all necessary resources to support our community in this trying time. I stand ready to help expedite any support and resources that our communities need.

Our district pulls together in tough times. We've overcome challenges before by working together, and we will do so again. Should you need anything, my staff and I are always here to help.

Sincerely,



SALUD CARBAJAL

TABLE OF CONTENTS

Federal Resources..... 4
State Resources.....6
Local Resources.....7

••• FEDERAL RESOURCES and FAQs •••

Summary: There are two primary resources available at this time from the federal government, Small Business Administration (SBA) Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) Loans. The CARES Act also instituted a program of debt relief for some other SBA loan products. It is worth noting that while agricultural entities are not usually allowed to participate in SBA programs, those with less than 500 employees are eligible for the PPP and EIDL Program. If you are experiencing any difficulty with these programs or need other assistance, please reach out to my office.

EIDL Quick Summary: EIDL loans can be up to \$2 million and will have payments deferred 12 months from the date of the first disbursement of funds. The funds from the loan can be used for almost any normal business expense. You can apply for SBA EIDL here (sba.gov/disaster).

PPP Quick Summary: The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive eligible expenses if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. You can apply for PPP here (<https://connect.sba.gov/>).

Small Business Debt Relief Program Summary: This program will provide immediate relief to small businesses with non-disaster SBA loans—in particular 7(a), 504, and microloans. Under this program, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the president signing the bill into law.

Frequently Asked Questions:

I heard these programs ran out of money, is that true?

Due to the initial influx of coronavirus-related loan requests, the SBA was experiencing a shortage of funds that led to a freeze in accepting new loan applications. With the latest coronavirus relief bill, Congress added \$310 billion more into PPP and \$60 billion into EIDL grants and loans to address this issue. Applications should open again soon so that more small businesses can request relief.

What are the terms of EIDL loans?

These loans can be up to \$2 million. The interest rate is 3.75% in most cases, the exception being private nonprofits for whom the rate is 2.75%. Payments on the loan are deferred 12 months from the date of the first disbursement of funds. The maximum term is 30 years.

What are the terms for PPP Loans?

These loans can be up to \$10 million or 250% of a businesses average monthly payroll costs, whatever is less. The interest rate is capped at 4%. The maximum term is 10 years

Where can my business apply for these loans?

You can apply for EIDL loans and grants and find additional information now at <https://covid19relief.sba.gov/#/>

To find lenders for PPP loans please go to <https://www.sba.gov/paycheckprotection/find> or contact your business bank. If you're having difficulty find a lender to work with please reach out to my office.

How long until my loan is processed?

Processing of an application is expected to take 2-3 weeks. If your application is approved the SBA expects to make initial payouts in an additional 5 days.

What if I am denied?

If you are denied you have an additional 6 months in which you can reapply. Assistance with your application may be available from a [local SBDC](#) or [WBC](#).

What other resources can I apply for? Department of Labor?

While additional aid in several forms is being discussed, this is the initial primary source for aid to small businesses.

Applicants can call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov

I have existing SBA loans, am I eligible for debt relief?

You are eligible if:

- You have an existing SBA 7(a), 504, or microloan loan (Paycheck Protection Program loans and SBA Economic Injury Disaster Loans are not eligible, but payments are already deferred under those loans);
- You apply for and receive an SBA 7(a), 504, or microloan within six months of enactment of the CARES Act (i.e., between March 27, 2020 and September 27, 2020).

How do I get debt relief?

Debt relief is automatic, but you should check in with your lender. Under the new law, the SBA is directed to make payments within 30 days of the date on which the first payment is due.

••• STATE RESOURCES and FAQs •••

Summary: There are a variety of state resources for both information and assistance available to small businesses.

Frequently Asked Questions:

What is the best place to find up to date information from the state of California?

Please use the state's GO-Biz site for the latest guidance: <https://business.ca.gov/coronavirus-2019/>. Additionally, you can find more health information and state guidance by clicking this resource page: <https://covid19.ca.gov/>.

Is GO-Biz the state agency where small business owners should look to for financial assistance?

Yes, GO-Biz is maintaining [a website](#) with all available business assistance. The Office of the Small Business Advocate maintains information on the GO-Biz site, as well as customized COVID-19 resources, which you can [find here](#). There you will find a list of capital and technical assistance resources.

What resources are available for small businesses?

State-backed loan programs are available, including special disaster assistance:

- California IBank has a Small Business Loan Guarantee Program for guarantees currently up to \$1 million and a micro lending program for loans up to \$10,000 with accommodations for disasters. The program is run through local mission-based lenders, the Financial Development Corporations: [Small Business Finance Center](#)
- The California Treasurer's Office has a small business loan program with special disaster assistance that is used extensively by the CDFI community: [CalCAP](#)

••• LOCAL RESOURCES and LINKS •••

Summary: Below is a list of resources and websites available from county and city governments as well as local chambers of commerce. This list is not necessarily exhaustive. If you feel there are gaps that can be addressed or are aware of a resource we have missed that you think would be helpful for others, please email max.hokit@mail.house.gov.

San Luis Obispo County

San Luis Obispo County: <https://www.emergencyslo.org/en/businesses-workplace.aspx>

<https://www.recoveryslo.org/en/covid19.aspx>

San Luis Obispo Chamber of Commerce: <https://slochamber.org/covid-19-resources-for-businesses/>

Economic Vitality Corporation: <http://www.sloevc.org/resources/covid-19-updates-and-business-resources.php>

City of San Luis Obispo: <https://www.slocity.org/services/public-safety/covid-19>

Atascadero Chamber of Commerce: <https://www.atascaderochamber.org/covid19/>

City of Paso Robles: <https://www.prcity.com/887/Business-Resources>

Paso Robles Chamber of Commerce: <https://www.pasostrong.org/>

South County Chambers of Commerce: <https://www.southcountychambers.com/covid-19-resources>

SLO Hot House/Cal Poly SBDC: <https://centralcasbdc.com/covid-19-resources-uc-merced-sbdc>

Santa Barbara County

Santa Barbara County: <https://publichealthsbcc.org/business-resources/>

Santa Barbara Chamber of Commerce: <https://www.sbchamber.org/covid19-resources>

Economic Development Collaborative: <https://edcollaborative.com/covid19/>

Women's Economic Ventures: <https://www.wevonline.org/>

City of Santa Barbara: <https://www.santabarbaraca.gov/>

Santa Maria Valley Chamber of Commerce: <https://santamaria.com/coronavirus-resources>

City of Santa Maria: <https://www.cityofsantamaria.org/city-government/departments/city-manager/coronavirus>