

## COVID-19 Related Financial Programs & Loans

Financial help for businesses related to the fallout of Covid-19 is constantly evolving. Below is a running list of information that is intended to serve as a roadmap for the various available options, tips and informational break-down.

Navigating this information in addition to the processes of seeking financial help is truly complex. That is what we are here for! If you need assistance in determining if a program is a good fit for your business, please don't hesitate to reach out to us! Contact Kristina Sorensen, Economic Development Director at 440-526-3873, or via email at [ksorensen@broadview-heights.org](mailto:ksorensen@broadview-heights.org).

**\*NEW 4/17/20\***

- **Cuyahoga County Small Business Resource Center** – [learn more by following this link](#)
  - **Cuyahoga County Small Business Stabilization Fund** – awarding \$500,000 in funding to support small, neighborhood-based businesses affected by Covid-19
    - Grants will range from \$2,500-\$5,000
    - [Guidelines & application can be found at this link](#)
    - Applications are being accepted until 5PM on Thursday, April 23, 2020
  - Nav's Small Business Grant Contest – [more details here](#)
  - Salesforce Small Business Grants – [more details here](#)
  - Save Small Business Fund/ U.S. Chamber of Commerce – [more details here](#)
  - Duke University's Corona Virus Funding Tracker [can be found here](#)
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- For a broad overview, you may wish to reference the [Small Business Guide to the CARES Act](#)
  - [Use this Checklist](#) as a guide as you help to prepare to file for a loan.
  - You can learn more about the [Paycheck Protection Program](#) that helps small businesses pay up to 8 weeks of payroll costs, including benefits. [Apply here](#). The Greater Cleveland Partnership has a good easy-to-read breakdown [here](#)
    - This part of the CARES Act is loan applied for through banks:
      - Working with a lender you already have an established relationship with is the best and fastest approach. However, there may be additional options, as follows:
      - Community Development Financial Institutions (CDFIs): CDFIs, also known as local loan centers, are small and typically not-for-profit providers of loans. [Find a CDFI near you via the CDFI list and locator tool](#)
      - Locate local SBA 7(a) lenders [here](#)

- Loans of 250% of employer's monthly payroll (up to \$10 million) until 6/30/2020 that can be used to cover payroll (salary, leave, insurance), mortgage, rent and utility payments
  - Rates are 1&
  - 2 year repayment term, with up to a 6 month deferment rate
  - If you spend up to 75% of the loan on payroll, your loan can be up to 80% forgiven
  - If you spend 100% of the loan on payroll, almost all of the loan can be forgiven
- Businesses, even without a personal guarantee or collateral, can apply as long as they were operational on February 15, 2020 and had paid employees (even if the owner is the only employee)
- It is important to note that loan forgiveness only occurs (generally – seek legal counsel for further applicable clarification) if employees continue to receive pay at normal levels during 8 weeks after loan origination. The amount spent on payroll, mortgage interest, rent and utility payments can be combined and that portion of the loan will be forgiven.
  - Small businesses and sole proprietorships can apply on 4/3/2020
  - Independent contractors and self-employed can apply on 4/10/2020
- The IRS has established a special section focused on steps to help taxpayers, businesses and others affected by the coronavirus. [This IRS page](#) will be updated as new information is available.
- Businesses impacted by Covid-19 can apply for up to \$2 million to pay for payroll, accounts receivable and fixed debts that can't be paid due to the impact of the Coronavirus through the [Small Business Administration's Economic Injury Disaster Loan](#). [Here is a presentation](#) that gives a good overview of the program, how to apply, etc.
  - Frequently asked questions on the program can be found [here](#)
  - This loan is applied for through the Small Business Administration
    - There are two parts:
      1. Grant of up to \$10,000 (\$1K/worker)
      2. Loan
        - Rate of 3.75% up to 30 years
        - Generally calculated by monthly revenue less monthly costs of goods
  - You can watch [a short 15 minute video on how to apply](#) from the SBA Economic Injury Loans from an Ohio colleague
  - To expedite the process the borrower should have complete copies of their most recent federal income tax return and a completed and signed [IRS form 4506-T](#), which authorizes the release of tax information. Additional information to have ready would be a schedule of liabilities, personal financial statement, monthly sales figures, a current year-to-date profit-and-loss statement and a year-end profit-and-loss statement and balance sheet for that tax year if the

most recent federal income tax return has not been filed. [Other information that is required by the application on the U.S. Treasury website.](#)

- If you are a small business who currently has a relationship with an SBA Express Lender you can access up to \$25,000 with substantially less paperwork with an [SBA Express Bridge Loan](#). This can also be used as a way to get urgently needed cash while waiting for a decision on an Economic Injury Disaster Loan.
- There are also much larger loans for companies between 500 and 10,000 employees that have significantly tougher restrictions. [More information on those can be found here.](#)
- You may also wish to reference your insurance policy to see if a claim made by made for [business interruption](#) or for [damage to your property](#) due to a cause of loss as Covid-19
- The Small Business Administration's Economic Injury Disaster Loan Assistance program also has a loan specifically for sole-proprietors ([SBA Form 5C](#))
- The U.S. Chamber of Commerce developed a [Small Business Guide for Covid-19 loans](#)
- The [Economic and Community Development Institute](#) also has a variety of loans for start ups and small businesses
- Tax filings and payments may be deferred until July 15<sup>th</sup>. The Treasury Department will not be applying any interest or penalty on amounts normally due with the 2019 return up to \$1 million for individuals (including those who are self-employed) and up to \$10 million for corporations. [Read more about this here.](#)
- Northeast Ohio has a long standing tradition of generosity. [HFLA of Northeast Ohio](#) makes education, personal and small business loans without interest.