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# A Guide to COVID-19 Disaster Funding

*How to Navigate the Funding Process*

U.S. Senator Kirsten Gillibrand

New York



2020

*\*Note: This document will be continuously updated as information becomes available*

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## Introduction

Dear Fellow New Yorker:

COVID-19 has had a devastating effect that on our communities and our businesses throughout our nation, but its effect is especially strong in New York State. As New York has become the epicenter of the coronavirus pandemic in the United States, I am dedicated to providing all New Yorkers with the necessary resources to withstand the economic impacts COVID-19 is having on our nation. This funding guide will be continuously updated with current and relevant funding opportunities for individuals, non-profits, and small businesses. I am fighting in Congress to ensure that every New Yorker, and every American, will be able to receive immediate relief from this devastating epidemic.

My Senate website ([www.gillibrand.senate.gov](http://www.gillibrand.senate.gov)) will be continuously updated with information regarding COVID-19 and resources on current legislation and funding as they become available. Please do not hesitate to reach out to my office through email or by phone with any questions or concerns regarding this current crisis.

As you move forward with any grant opportunities please contact Caitlin Rooney, my Director of Economic Development, for letters of support, when applicable. You can reach her in my Washington, D.C. Office at [grants@gillibrand.senate.gov](mailto:grants@gillibrand.senate.gov), or (202) 224-4451.

Sincerely,



Kirsten Gillibrand  
United States Senator

## **Section I: Federal Emergency Management Agency (FEMA)**

The job of the Federal Emergency Management Agency is to help people before, during, and after disasters.

### **Public Assistance: Local, State, Tribal and Private Non-Profit**

- The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as Amended (Stafford Act), Title 42 of the United States Code (U.S.C.) § 5121 et seq., authorizes the President to provide Federal assistance when the magnitude of an incident or threatened incident exceeds the affected State, Territorial, Indian Tribal, and local government capabilities to respond or recover.
- The purpose of the Public Assistance (PA) Grant Program is to support communities' recovery from major disasters by providing them with grant assistance for debris removal, life-saving emergency protective measures, and restoring public infrastructure. Local governments, states, tribes, territories and certain private nonprofit organizations are eligible to apply.

#### **Program Overview**

- FEMA's Public Assistance Program provides supplemental grants to state, tribal, territorial, and local governments, and certain types of private non-profits so that communities can quickly respond to and recover from major disasters or emergencies. FEMA also encourages protection of these damaged facilities from future events by providing assistance for hazard mitigation measures during the recovery process.
- The Life of a PA Grant
  - The PA Program follows FEMA's common set of phases known as the Grants Management Life Cycle:
    - Pre-Award: Applicants work with the Recipient and FEMA to develop the award package for a grant.
    - Award: FEMA approves the award package and allocates funding.
    - Post-Award: Funds are released to the Recipients who must maintain, monitor, and report upon.
    - Closeout: FEMA administers performance evaluation, financial and appeal reconciliation, final reporting activities, appeal resolution and debt actions.
    - Post-Closeout: As necessary, FEMA performs debt collection actions, audit, and other adjustments may continue after grant closeout.
- Declaration Process
  - The PA Grant Program begins with the Declaration Process when an area has received a Presidential declaration of an emergency or major disaster. Applicants will coordinate with the Recipient and FEMA to complete their award package during the Pre-Award phase of the grant lifecycle.

- Roles and Responsibilities
  - Multiple layers of government work in partnership to administer the PA Grant Program once a disaster has been declared. Each entity must work together to meet the overall objective of a quick, efficient, and effective program delivery.
  - FEMA's primary responsibilities are to determine the amount of funding, participate in educating the applicant on specific program issues and procedures, assist the applicant with the development of projects, and review the projects for compliance.
    - **FEMA:** The federal awarding agency authorized to manage the program.
    - **Recipients:** The State, Territorial, or Tribal government that receives funding under the disaster declaration and disburses funding to approved subrecipients.
    - **Applicants:** Entities submitting a request for assistance under the recipient's federal award.
    - **Subrecipients:** Applicants who have received a subaward from the Recipient and is then bound by the conditions of the award and subaward.
- Eligibility
  - The four basic components of eligibility are applicant, facility, work, and cost.
    - An **Applicant** must be a state, territory, tribe, local government, private nonprofit organization.
    - A **Facility** must be a building, public works, system, equipment, or natural feature.
    - **Work** is categorized as either Emergency or Permanent. It must be required as a result of the declared incident, located within the designated disaster area, and the legal responsibility of the Applicant.
    - **Cost** is the funding tied directly to eligible work, and must be adequately documented, authorized, necessary and reasonable. Eligible costs include labor, equipment, materials, contract work, as well as direct and indirect administrative costs.
- Project Timelines
  - Projects must be completed within the Regulatory deadlines. Emergency Work must be completed within six months; Permanent Work within 18 months. Applicants may submit a request in writing to the Recipient for consideration of a time extension.
- Cost-share
  - The federal share of assistance is not less than 75 percent of the eligible cost. The Recipient determines how the non-federal share (up to 25 percent) is split with the subrecipients (i.e. eligible applicants).
- Special Considerations
  - Applicants may not duplicate benefits with insurance and must comply with Environmental, Historic Preservation, and Floodplain Management laws as part of the eligibility conditions. Procurement standards in the use of contracts for acquiring disaster-related goods and services must meet certain guidelines in order to receive funding.

### **Individual Disaster Assistance**

- At this time, there is no assistance available through FEMA to individuals and families affected by the coronavirus.





## **Section II: Small Business Administration (SBA)**

U.S. Small Business Administration (SBA) continues to help small business owners and entrepreneurs pursue the American dream. The SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation's only go-to resource and voice for small businesses.

### **SBA Disaster Assistance**

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
  - Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available statewide to small businesses and private, non-profit organizations to help alleviate economic injury caused by the Coronavirus (COVID-19). This will apply to current and future disaster assistance declarations related to Coronavirus.
  - SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
  - Once a declaration is made, the information on the application process for Economic Injury Disaster Loan assistance will be made available to affected small businesses within the state.
  - SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
  - These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
  - SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
  - SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.
  - For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

### **Eligibility**

- The SBA offers disaster assistance in the form of low-interest loans to businesses, renters, and homeowners located in regions affected by declared disasters.

### **Disaster Loan Use**

- If your insurance, and funding from the Federal Emergency Management Agency (FEMA), doesn't fully cover the disaster assistance you need, you can use disaster loans for a number of purposes.

## **Paycheck Protection Program (PPP)**

### **Program Overview**

- 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 loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
- The Paycheck Protection Program will be available through June 30, 2020.

### **Who Can Apply**

- This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.
- Small businesses in the hospitality and food industry with more than one location could also be eligible at the store and location level if the store employs less than 500 workers. This means each store location could be eligible.

### **How to Apply**

- You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.
- Lenders may begin processing loan applications as soon as April 3, 2020.

### **Loan Details and Forgiveness**

- The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- This loan has a maturity of 2 years and an interest rate of .5%.
- If you wish to begin preparing your application, you can [download a sample form](#) to see the information that will be requested from you.



### Other Assistance

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are currently eligible to [apply for disaster assistance](#).
- [Enhanced Debt Relief](#) is also available in SBA's other business loan programs to help small businesses overcome the challenges created by this health crisis.
- For information on additional Lending options, please [click here](#).
- SBA provides local assistance via 68 district offices and a nationwide network of resource partners. To find resources near you, please [click here](#).

## **Economic Injury Disaster Loans and Loan Advance**

**To apply for a COVID-19 Economic Injury Disaster Loan, [click here](#).**

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.
- Farmers and other agricultural enterprises are now eligible for the EIDL program.
  - The agreement adds agricultural enterprises under 500 employees as an eligible recipient for grants of up to \$10,000 and low-interest loans of up to \$2 million through the SBA's Economic Injury Disaster Loan Program.

## **SBA Debt Relief**

- The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.
- Under this program:
  - The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
  - The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

## **Express Bridge Loan Pilot Program Guide**

### Initiative Overview

- Pursuant to its authority under the Small Business Act, the U.S. Small Business Administration ("SBA" or the "Agency") provides direct loan assistance to small businesses located in communities impacted by Presidentially-declared disasters and disasters declared by SBA under its own authority. The EBL Pilot Program, announced by publication of a notice in the Federal Register on October 16, 2017 (82 FR 47958), is designed to supplement the Agency's direct disaster loan capabilities. As originally announced, the EBL Pilot Program authorizes SBA

Express Lenders to provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to \$25,000 for disaster-related purposes to small businesses located in communities affected by Presidentially-declared disasters while those small businesses apply for and await long-term financing (including through SBA's direct Disaster Loan Program, if eligible).

- Effective March 25, 2020, (announcement by publication of a notice in the Federal Register will follow), SBA expanded program eligibility to include small businesses nationwide adversely impacted under the Coronavirus Disease (COVID-19) Emergency Declaration issued by President Trump on March 13, 2020 ("COVID-19 Emergency Declaration"). Because the COVID-19 Emergency Declaration covers all states, territories, and the District of Columbia, eligible small businesses under the EBL Pilot Program include small businesses located in any state, territory and the District of Columbia that have been adversely impacted by the COVID-19 emergency. The notice also stated that all references to disasters in the EBL Pilot Program requirements will include the COVID-19 emergency. In the same notice, SBA extended the term of the EBL Pilot Program through March 13, 2021.
- EBL loans can only be made up to six months after the date of an applicable Presidential Disaster Declaration. For the COVID-19 Emergency Declaration, EBL loans can be approved through March 13, 2021.
- The EBL Pilot Program applies the policies and procedures in place for the SBA Express program, except as outlined in this Guide. In the October 16, 2017 Federal Register Notice, SBA exercised its authority under 13 CFR § 120.3 to modify the requirements of 13 CFR § 120.150 ("What are SBA's lending criteria?") to allow SBA Express Lenders to use a streamlined underwriting process for EBL loans. The modification of the 7(a) lending criteria will minimize the burden on small businesses applying for loans through the EBL Pilot Program and encourage SBA Express Lenders to participate in the pilot.
- On May 7, 2018, SBA published a second Federal Register Notice (83 FR 19921) refining the EBL Pilot Program to restrict the fees that can be charged in connection with an EBL loan. The EBL Pilot Program became available for use on October 16, 2017 and will expire on March 13, 2021. EBL loans must be approved on or before the Pilot expiration date, as evidenced by the issuance of an SBA loan number. SBA will evaluate the initiative using the criteria set forth in the October 16, 2017 Federal Register Notice and make a determination whether to make the initiative permanent or further extend or terminate it.
- Not more than ten percent of the total number of 7(a) loans guaranteed by SBA in any fiscal year may be made under the EBL Pilot Program. See 15 U.S.C. 636(a)(25). While SBA does not expect the number of EBL loans to reach that limit, SBA will provide public notice of the need to suspend lending under the pilot for the remainder of the fiscal year if SBA determines that the number of EBL loans is approaching the limit.

### **What Lenders Are Authorized to Make an EBL Loan?**

- EBL loans can only be made by SBA Express Lenders that had a valid SBA Form 2424, "Supplemental Loan Guaranty Agreement SBA Express Program," in effect as of the date of the

applicable disaster. (For the COVID-19 Emergency Declaration, the date of the applicable disaster is March 13, 2020.)

- SBA Express Lenders may only make EBL loans to eligible small businesses with which the Lender had an existing banking relationship on or before the date of the applicable disaster.
  - A relationship with any of the SBA Express Lender’s affiliates will not satisfy the requirement of an existing banking relationship.
  - Lenders are cautioned that the provisions of 13 CFR § 120.140 (“What ethical requirements apply to participants?”) continue to apply to the EBL Pilot Program.

### **What Small Businesses are Eligible for the EBL Pilot Program?**

- EBL loans may only be made to:
  - For Presidential Disaster Declarations, small businesses that were located, as of the date of the applicable disaster, in Primary Counties that were declared disaster areas under the Presidential Disaster Declaration or in any Contiguous Counties; or
  - For the COVID-19 Emergency Declaration, small businesses located in any state, territory and the District of Columbia that have been adversely impacted by the COVID-19 emergency.
- The small business must have been operational when the declared disaster commenced and must meet all other 7(a) loan eligibility requirements as set forth in 13 CFR §§ 120.100 through 1120.111 and SOP 50 10.

### **What Declarations are covered under the EBL Pilot Program and where is information on the Declarations located?**

- Presidential Disaster Declarations
  - Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121 et seq., the President can declare a Major Disaster for any natural catastrophe, or, regardless of cause, any fire, flood, or explosion, that the President determines has caused damage of such severity that it is beyond the combined capabilities of state and local governments to respond. Each Presidential disaster declaration designates the geographical areas that are adversely affected by the disaster.
  - When the President declares a Major Disaster and authorizes federal assistance that includes SBA Disaster Loans, SBA publishes a notice in the Federal Register advising the public of the availability of SBA direct loans for the disaster and stating the Primary and Contiguous Counties comprising the eligible disaster area. See 13 CFR § 123.3. See also SOP 50 30, Disaster Assistance Program.
  - A listing of Presidentially-declared disasters, including the Primary and Contiguous Counties for each declaration is available on the Disaster Loan Assistance website.
  - From the listing of “Presidential and SBA Agency Declared Disasters,” Lenders must select the applicable incident and click on the link through to a webpage titled “Disaster Declaration Details.” Lenders must review the “Disaster Declaration Details” and click on the link to the “Disaster Declaration” file to view the Federal Register Notice issued by SBA in order to identify the following:



- Confirmation that the incident is a “Presidential Declaration of a Major Disaster.” The EBL Pilot is not available for “Administrative Declarations of Disaster” (i.e., disasters declared by the SBA Administrator, Secretary of Agriculture, or Secretary of Commerce).
- The date on which the Presidential disaster declaration was issued. Please note that the “Disaster Declaration Details” webpage includes an “Effective Date,” which may not be the same as the date of the Presidential declaration. Lenders must confirm the date of the Presidential disaster declaration because EBL loans may only be made up to six months after the date of the applicable Presidential disaster declaration.
- The dates of the “Incident Period.” The small business applicant must have been operational when the declared disaster commenced, which is indicated by the start date of the “Incident Period.”
- The eligible Primary and Contiguous Counties comprising the disaster area. The small business applicant must have been located, as of the date of the disaster, in an eligible Primary or Contiguous County.
  - COVID-19 Emergency Declaration The procedures in Section IV.A. above do not apply to the COVID-19 Emergency Declaration. For the COVID-19 Emergency Declaration, a small business located in any state, territory and the District of Columbia that has been adversely impacted by the COVID-19 emergency is eligible for an EBL loan, provided that all other eligibility requirements have been met. For the COVID-19 Emergency Declaration, the date of the applicable disaster is March 13, 2020 and the small business must have been operational on that date.

#### **What are the key EBL Pilot Program requirements?**

- The EBL Pilot Program applies the SBA Loan Program Requirements (as defined in 13 CFR § 120.10) in place for the SBA Express program, except as outlined in this Guide. As such, SBA Express Lenders that make EBL loans must follow their established and proven internal policies and procedures used for their similarly-sized, non-SBA guaranteed commercial loans.
- In addition to the specific eligibility requirements for EBL loans, SBA Express Lenders are expected to be fully familiar with SBA’s eligibility requirements for SBA Express loans as set forth in SBA Loan Program Requirements and must screen all EBL applicants and loans to ensure they meet those requirements.

#### **What are the required terms and conditions for EBL loans?**

- **Credit Not Available Elsewhere** As with all 7(a) loans, EBL applicants must demonstrate the need for the desired credit (i.e., they must meet the SBA’s “credit elsewhere” requirements). See 13 CFR §§ 120.101 and 120.102. The Lender must certify on the SBA Form 1920, “Lender’s Application for Loan Guaranty,” that the EBL applicant does not have the ability to obtain some or all of the requested loan funds on reasonable terms from non-Federal sources, including the Lender, without SBA assistance, and requires the Lender to fully document the

basis for that determination in its loan file. Failure of the Lender to adequately address the EBL applicant's need for the desired credit may result in SBA denying liability on the guaranty.

- **Business location (Presidential Disaster Declarations Only)** The Lender must document in the credit memorandum that the EBL applicant had an operating business located, as of the date of the applicable disaster, in a Primary County declared as a disaster area under a Presidential Disaster Declaration or in a Contiguous County. Lender may use internal documents obtained through its existing relationship with the applicant that contain the business address in order to verify the location of the business.
- **Adverse Impact (COVID-19 Emergency Declaration Only)** For EBL loans made under the COVID-19 Emergency Declaration, the Lender must document in the credit memorandum that the EBL applicant had an operating business as of March 13, 2020 and that the applicant has demonstrated that it has been adversely impacted by the COVID-19 emergency.
- **Eligibility period** For Presidential Disaster Declaration loans, Lenders may only obtain SBA loan numbers for EBL loans in a particular disaster area for a period of 6 months from the date of the applicable Presidential Disaster Declaration. For COVID-19 Emergency Declaration loans, Lenders may obtain SBA loan numbers for EBL loans through March 13, 2021.
- **Multiple loans** An EBL applicant (including affiliates, as defined in 13 CFR § 121.301(f)) may obtain only one EBL loan per Declaration. An EBL loan will not count towards the maximum limitation on the amount of SBA Express loans that can be outstanding to any borrower (including affiliates). An EBL loan will, however, count towards the maximum limitation on the amount of 7(a) loans that can be outstanding to any borrower (including affiliates).
- **Maximum loan amount** The maximum gross loan amount under the EBL Pilot Program is \$25,000.
- **Maximum guaranty percentage** For an EBL loan, the SBA guaranty percentage is limited to the maximum guaranty percentage for SBA Express loans. The guaranteed amount of an EBL loan will count towards the maximum SBA exposure that may be outstanding for all SBA loans to a borrower and its affiliates at any one time.
- **Maximum maturity/loan term**
  - The EBL loan must be structured as a term loan (revolving lines of credit are not permitted).
  - The maximum EBL loan term is 7 years.
  - The Lender may require the EBL borrower to pay the EBL loan in part or in full if the borrower is approved for long-term disaster financing (including an SBA Direct Disaster loan) that allows loan proceeds to be used for EBL loan reimbursement; or
  - The Lender may permit the loan to amortize over a maximum term of 7 years if the borrower does not obtain long-term disaster financing.
- **Secondary market sales prohibited** EBL loans cannot be sold in SBA's secondary market. EBL loans are intended to be interim loans, thus SBA has determined pursuant to 13 CFR § 120.612(a)(3) that the sale of such loans in SBA's secondary market would not be conducive to the successful operation of the secondary market program.
- **Use of Proceeds**
  - For Presidential Disaster Declarations, EBL loan proceeds must be used exclusively to support the survival and/or reopening of the small business within the eligible Primary or Contiguous Counties. For the COVID-19 Emergency Declaration, EBL loan proceeds must be used exclusively to support the survival and/or reopening of the small business.
  - For Presidential Disaster Declarations, Lenders must certify in the credit memorandum that the EBL loan proceeds will be used by the borrower to support the survival and/or



- reopening of the small business within the eligible Primary or Contiguous Counties. For the COVID-19 Emergency Declaration, Lenders must certify in the credit memorandum that the EBL loan proceeds will be used by the borrower to support the survival and/or reopening of the small business. This certification must be included with any guaranty purchase request to SBA.
- For Presidential Disaster Declarations, EBL loan proceeds may be disbursed as working capital, or for specific disaster-related purposes, such as the purchase of generators, repair or replacement of disaster-damaged equipment or inventory, making repairs to the business premises, etc. For the COVID-19 Emergency Declaration, EBL loan proceeds must be disbursed as working capital.
- **Maximum Allowable Interest Rate** The EBL Pilot Program follows the SBA Express interest rate policy. An EBL loan may have a fixed or variable interest rate.
- Because an EBL loan is limited to \$25,000, a Lender may charge up to 6.5% over the Prime rate, regardless of the maturity of the loan.
  - For variable rate loans, a Lender may use the same base rate of interest it uses on its similarly-sized, non-SBA guaranteed commercial loans; however, the interest rate throughout the term of the loan cannot exceed the maximum SBA Express interest rate allowed of Prime + 6.5%.
  - A Lender may charge a default interest rate if it does so for its similarly-sized, non-SBA guaranteed commercial loans, as long as the interest rate does not exceed the amount stated above.
- **Fees**
- **Upfront Guaranty Fee.** All EBL loans are subject to the same upfront guaranty fees as required for 7(a) loans of similar size and maturity. See 13 CFR § 120.220 and SOP 50 10. Lenders are advised to refer to SBA Notices and/or SOP 50 10 for updates on fee relief initiatives, if any, for each fiscal year.
  - **Lender's Annual Service Fee (SBA Ongoing Guaranty Fee).** All EBL loans are subject to the same Lender's annual service fee as required for all 7(a) loans. See 13 CFR § 120.220(f) and SOP 50 10.
  - **Other Fees.** In order to ensure that EBL applicants and borrowers are charged only those additional fees reasonably necessary in connection with an EBL loan, SBA published the May 7, 2018 Federal Register Notice (83 FR 19921) modifying the regulation at 13 CFR § 120.221 to permit Lenders to collect only the following:
    - **Lender Fees.** A Lender must not impose any fees or direct costs on an EBL applicant or borrower, except for the following:
      - **Application Fee:** Lenders may charge an EBL applicant an application fee. The maximum permissible application fee is 2% of the loan amount or \$250, whichever is greater. If an application fee is charged, it must be disclosed on SBA Form 159, "Fee Disclosure and Compensation Agreement." If an undisbursed loan is canceled, the Lender may retain the application fee. The application fee is optional; therefore, a Lender may choose not to collect an application fee.
      - **Late Payment Fee:** A late payment fee not to exceed 5 percent of the scheduled EBL loan payment;
      - **Liquidation Costs:** The reasonable direct costs of liquidation.
    - **Prohibition on all other fees and charges, including by loan packagers, referral agents or brokers.** Except as permitted in L.3.a) above, no other fee or costs may be charged to an EBL applicant or borrower by the Lender or any third party in

connection with an EBL loan, including any referral fee, broker's fee or similar fee. Because an existing banking relationship is a requirement for an EBL loan, there is no need for either the applicant or the Lender to pay a referral fee, broker's fee, or similar fee in connection with an EBL loan.

- **Collateral** The SBA Express collateral policy applies to EBL loans. Because the maximum amount of an EBL loan is \$25,000, Lenders are not required to take collateral for EBL loans.

### **What are the credit standards and underwriting requirements for EBL loans?**

- Lenders may follow a streamlined underwriting process for EBL loans by considering only the following:
  - **Credit Scores**
    - **SBSS Score.** All EBL applications will begin with a screening for a FICO Small Business Scoring Service Score (SBSS Score). The SBSS Score is calculated based on a combination of consumer credit bureau data, business bureau data, borrower financials, and application data. To screen an application for an SBSS Score, the Lender will enter certain fields into E-Tran Loan Origination and an SBSS Score will be generated. See SOP 50 10 for the data fields required to generate an SBSS Score.
      - The minimum acceptable SBSS Score for an EBL loan applicant is 130. If the applicant does not receive the minimum acceptable SBSS Score or greater, the loan is not eligible for the EBL Pilot Program.
      - SBA may adjust the minimum acceptable SBSS Score up or down from time to time during the EBL Pilot Program and will post any such adjusted score on its website. See the 7(a) loan program page in the For-Partners section.
    - **Personal Credit Score.** Lender must obtain a personal credit score for each guarantor. The personal credit score(s) must be satisfactory under the Lender's standards for its similarly-sized, non-SBA guaranteed commercial loans. The Lender's credit memorandum for the EBL loan must document the adequacy of the personal credit score(s).
  - **IRS Tax Transcript or Equivalent** Prior to any disbursement of EBL loan proceeds, Lender must submit a signed IRS Form 4506-T to the Internal Revenue Service (IRS) and obtain an IRS tax transcript for the EBL applicant business for the purpose of verifying the existence of the business as of the date the applicable disaster commenced and confirming that the EBL applicant has filed required tax returns. The Lender must retain this documentation in the loan file. For businesses located in Puerto Rico, the Lender must obtain the acceptable equivalent (confirmation of tax filing with the Hacienda) prior to any disbursement of EBL loan proceeds. For businesses in operation prior to the disaster but not long enough to have been required to file a tax return, Lender must provide an acceptable alternative to verify the existence of the business as of the date the applicable disaster commenced.

- **Existing Banking Relationship** As discussed above, the Lender must have an existing banking relationship with the EBL applicant as of the date of the applicable disaster in order to help mitigate the risks associated with the streamlined underwriting process under the EBL Pilot Program. The Lender must document this existing banking relationship in the credit memorandum. Acceptable documentation may include a copy of a current bank statement, an existing Note, or other official bank documents that reference the EBL applicant's business address. A relationship with any of the Lender's affiliates will not satisfy this requirement.

### **How does a Lender process and submit the guaranty application for an EBL Loan?**

- **Eligibility in General.** SBA grants SBA Express Lenders increased responsibility for screening applicants and loans for eligibility. In addition to the specific EBL Pilot Program eligibility requirements outlined above, the EBL applicant must meet all other 7(a) loan eligibility requirements, including those found in 13 CFR §§ 120.100 through 120.111 and SOP 50 10. Lenders must screen all EBL applicants and loans to ensure that they meet all eligibility requirements before submitting the request for an EBL loan number to SBA.
  - In screening the EBL applicant and loan for eligibility, a Lender may, in general, rely on certifications provided by the applicant, several of which are included in SBA Form 1919, "Borrower Information Form," that will be used for the EBL Pilot Program. For example, certifications regarding character and other eligibility factors are included in the SBA Form 1919. In the case of size, the Lender may rely on information provided by the applicant at the date of application, unless the Lender has credible evidence to the contrary. However, other eligibility issues will require closer attention from the Lender. If, for example, a franchise is involved, the Lender must follow the procedures for processing franchise loans in SOP 50 10. The Lender must maintain appropriate documentation in the loan file supporting the eligibility of the EBL applicant and loan.
  - The EBL Applicant must Be Small Under SBA Size Requirements (13 CFR Part 121). The EBL applicant business, together with its affiliates (as defined in 13 CFR § 121.301(f)), must be small under either the industry size standards or the alternative size standard applicable to the 7(a) Loan Program. See SOP 50 10. The size of the EBL applicant is determined as of the date the EBL loan is approved by the Lender. (Note: SBA Economic Injury (EIDL) direct disaster loans are available only to businesses that were small under the industry size standards when the declared disaster commenced (13 CFR § 123.300(b)), while SBA Physical (repair and/or replacement) direct disaster loans are available to businesses of all sizes.)
  - The EBL Applicant and its Associates must be of Good Character. The EBL Applicant and its Associates (as defined in 13 CFR § 120.10) must be of good character. The Agency cannot guarantee a 7(a) loan, including an EBL loan, to a small business with an Associate who is:
    - Incarcerated, on probation, on parole (an individual with a deferred prosecution is treated as if the individual is on probation or parole);



- Currently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. The character evaluation process to determine eligibility begins with the Applicant and Associates answering the applicable questions on SBA Form 1919, Borrower Information Form. If questions 17, 18, and 19 of SBA Form 1919, are all answered “no,” the Lender may process the EBL loan. If any answer to question 17 is “yes,” the loan is ineligible for the EBL Pilot Program. If any answer to question 18 and/or 19 is “yes,” the Lender must obtain the required SBA Form 912, “Statement of Personal History,” and follow the steps outlined in SOP 50 10 prior to submitting the request for an EBL loan number.
- No Delinquent Federal Debt or Prior Loss. Unless waived by SBA for good cause, SBA cannot provide assistance to an EBL applicant if there is a Delinquent Federal Debt or if there has been a Prior Loss to the Government. EBL Lenders are responsible for complying with the requirements and procedures set forth in SOP 50 10 related to Delinquent Federal Debt and Prior Loss, and are responsible for checking the Credit Alert Verification Reporting System (CAIVRS) for EBL applicants to determine if any of the individuals or businesses identified in SOP 50 10 have outstanding Delinquent Federal Debt or Prior Loss.
- Application Submission. After an eligible applicant receives the minimum acceptable SBSS Score or greater during the initial E-T ran screening, the Lender must submit the guaranty application using E-Tran or SBA One to receive an SBA loan number.

### **What forms are required?**

- The EBL Pilot follows SBA Express processing procedures, except as outlined in this Guide. Program forms can be found on the SBA website. All EBL Pilot loan files must include the forms and information the Lender requires in order to make an informed eligibility and credit decision. Any application form obtained by the Lender from the applicant must be certified by the applicant as true and complete. Lenders processing EBL loans must obtain and retain all required documentation in their file.
- The following forms are required:
  - [SBA Form 1920](#). Lender must complete and sign SBA Form 1920, “Lender’s Application for Loan Guaranty.”
  - [SBA Form 1919](#). EBL Applicants and their Associates must complete and sign SBA Form 1919, “Borrower Information Form.”
  - [SBA Form 159](#). If the EBL applicant paid or committed to pay an application fee to the Lender, then an SBA Form 159 must be fully completed and signed by the EBL applicant and the Lender. Lenders must submit SBA Form 159 to SBA’s Fiscal Transfer Agent (“FTA”) on EBL loans that involve payment of an application fee to the Lender. This submission is required only once after there has been an initial disbursement on the loan and should be submitted in conjunction with a Lender’s 1502 report for the month. The information must be submitted by electronic document imaging using either the

- Portable Document Format (.pdf) or the Tagged Information Format (.tif). Lenders must email the pdf/tif file to [Form159@colsonservices.com](mailto:Form159@colsonservices.com). Lenders are required to retain an original signature version of the form in their files for compliance review purposes.
- [SBA Form 601](#). For any EBL loan where proceeds will be used for construction of more than \$10,000, as indicated on SBA Form 1920, the EBL applicant and contractor must execute SBA Form 601, “Applicant's Agreement of Compliance.” The Lender must keep the original signed SBA Form 601 in its loan file. The Lender does not send the form to SBA.
  - [IRS Form 4506-T and IRS Transcript or Equivalent](#). As discussed above, the Lender must submit a signed IRS Form 4506-T and obtain an IRS Transcript or equivalent prior to any disbursement of EBL loan proceeds.
  - [SBA Form 912](#). As discussed above, if any EBL loan applicant or Associate answers “yes” to questions 18 and/or 19 on SBA Form 1919, “Borrower Information Form,” the Lender must obtain the required SBA Form 912, “Statement of Personal History,” and follow the steps outlined in SOP 50 10 prior to submitting the request for an EBL loan number.

### **How does a Lender close, disburse, service, liquidate, and request guaranty purchase of an EBL Loan?**

- **Closing.** The EBL Pilot Program follows the same closing procedures as SBA Express. The Lender completes the Authorization without SBA review and signs it on behalf of SBA. The Lender may use the 7(a) Boilerplate or the SBA Express/Export Express abbreviated authorization. The Lender must complete the Authorization in compliance with the disbursement requirements below. For Presidential Disaster Declarations, the Lender must include language in the Authorization requiring that EBL loan proceeds be used exclusively to support the survival and/or reopening of the EBL borrower within the eligible Primary or Contiguous Counties. For the COVID-19 Emergency Declaration, the Lender must include language in the Authorization requiring that EBL loan proceeds be used exclusively to support the survival and/or reopening of the EBL borrower. The Authorization may require the EBL borrower to pay the EBL loan in part or in full if the borrower is approved for long-term disaster financing (including an SBA Direct Disaster loan) that allows loan proceeds to be used for EBL loan reimbursement. For EBL loans, the Lender must use the same closing procedures and documentation that it uses for its similarly-sized, non-SBA guaranteed commercial loans. There must be a promissory note that is legally enforceable and assignable, in the event that it would ever have to be assigned to SBA. The Lender should not send any closing documentation to SBA after closing but should retain all documents in the loan file.
- **Disbursement.** Because an EBL loan is a bridge loan, first disbursement of the EBL loan should occur within 45 days of the Lender’s receipt of an SBA loan number and must occur no later than 90 days from that date. If the first disbursement is not made within 90 days from receipt of an SBA loan number, the EBL loan will be cancelled.



- **Post-Closing Servicing, Liquidation and Guaranty Purchase.** For servicing, liquidation and guaranty purchases of EBL loans, the Lender must follow [SOP 50 57](#), 7(a) Loan Servicing and Liquidation. SBA Express procedures apply to EBL loans. Routine EBL loan servicing and liquidation issues are currently being handled centrally by either SBA's Commercial Loan Service Center East in Little Rock at 2120 Riverfront Drive, Suite 100, Little Rock, AR 72202-1794 (501-324-5871; [lrsc.servicing@sba.gov](mailto:lrsc.servicing@sba.gov)) or SBA's Commercial Loan Service Center West in Fresno at 801 R Street, Suite 101, Fresno, CA 93721 (559-262-4960; [fsc.servicing@sba.gov](mailto:fsc.servicing@sba.gov)). EBL loan guaranty purchase requests must be submitted using the Express Purchase Demand Kit to the applicable email address ([LRSC.ExpressPurchase@sba.gov](mailto:LRSC.ExpressPurchase@sba.gov) or [fsc.expresspurchases@sba.gov](mailto:fsc.expresspurchases@sba.gov)) or through [Send this File](#).
- **Monthly Form 1502 Reporting via E-Tran.** Lenders must report the EBL loan status on a monthly basis via E-Tran using [SBA Form 1502](#), "Guaranty Loan Status & Lender Remittance Form." Lender must use the Form 1502 reporting format to timely and accurately report the status and outstanding balance of all of their SBA guaranteed loans, including EBL loans, to the FTA by the third calendar day of each month, or the next business day thereafter if the third calendar day of the month is not a business day, plus a two business day grace period. This reporting requirement applies regardless of whether the EBL borrower made a payment in the current month. All Lenders must remain current in filing the required monthly Form 1502 reports in the form required by SBA and in remitting the required SBA Ongoing Guaranty Fees with the reports.

## Guidance for Businesses and Employers

- [The President's Coronavirus Guidelines for America - 15 Days to Slow the Spread](#)
- The Centers for Disease Control and Prevention (CDC) offers the most up-to-date information on COVID-19. This interim guidance is based on what is currently known [about the coronavirus disease 2019 \(COVID-19\)](#). For updates from CDC, please see the following:
  - [Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019 \(COVID-19\)](#)
  - [Preventing Stigma Related to COVID-19](#)
  - [Share Facts about COVID-19](#)
  - [CDC Coronavirus Disease 2019 \(COVID-19\) Web page](#)
  - [Information on Coronavirus Disease 2019 \(COVID-19\) Prevention, Symptoms and FAQ](#)
- The following interim guidance may help prevent workplace exposures to acute respiratory illnesses, including COVID-19, in non-healthcare settings. The guidance also provides planning considerations if there are more widespread, community outbreaks of COVID-19.
- To prevent stigma and discrimination in the workplace, use the guidance described below and on the [CDC's Guidance for Businesses and Employers](#) web page.
- Below are recommended strategies for employers to use now. In-depth guidance is available on the [CDC's Guidance for Businesses and Employers](#) web page:
  - Actively encourage sick employees to stay home
  - Separate sick employees

- Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees
- Perform routine environmental cleaning
- Advise employees before traveling to take certain steps
  - Check the [CDC's Traveler's Health Notices](#) for the latest guidance and recommendations for each country to which you will travel. Specific travel information for travelers going to and returning from designated countries with risk of community spread of Coronavirus, and information for aircrew, can be found on the [CDC website](#).
- Additional Measures in Response to Currently Occurring Sporadic Importations of the COVID-19:
  - Employees who are well but who have a sick family member at home with COVID-19 should notify their supervisor and refer to CDC guidance for [how to conduct a risk assessment](#) of their potential exposure.
  - If an employee is confirmed to have COVID-19, employers should inform fellow employees of their possible exposure to COVID-19 in the workplace but maintain confidentiality as required by the Americans with Disabilities Act (ADA). Employees exposed to a co-worker with confirmed COVID-19 should refer to CDC guidance for [how to conduct a risk assessment](#) of their potential exposure.
- Common Issues Small Businesses May Encounter:
  - **Capital Access** – Incidents can strain a small business's financial capacity to make payroll, maintain inventory and respond to market fluctuations (both sudden drops and surges in demand). Businesses should prepare by exploring and testing their capital access options so they have what they need when they need it. See [SBA's capital access resources](#).
  - **Workforce Capacity** – Incidents have just as much impact on your workers as they do your clientele. It's critical to ensure they have the ability to fulfill their duties while protected.
  - **Inventory and Supply Chain Shortfalls** – While the possibility could be remote, it is a prudent preparedness measure to ensure you have either adequate supplies of inventory for a sustained period and/or diversify your distributor sources in the event one supplier cannot meet an order request.
  - **Facility Remediation/Clean-up Costs** – Depending on the incident, there may be a need to enhance the protection of customers and staff by increasing the frequency and intensity by which your business conducts cleaning of surfaces frequently touched by occupants and visitors. Check your maintenance contracts and supplies of cleaning materials to ensure they can meet increases in demand.
  - **Insurance Coverage Issues** – Many businesses have business interruption insurance; Now is the time to contact your insurance agent to review your policy to understand precisely what you are and are not covered for in the event of an extended incident.
  - **Changing Market Demand** – Depending on the incident, there may be access controls or movement restrictions established which can impede your customers from reaching your business. Additionally, there may be public concerns about public exposure to an incident and they may decide *not to* go to your business out of concern of exposing themselves to greater risk. [SBA's Resources Partners and](#)

[District Offices](#) have trained experts who can help you craft a plan specific to your situation to help navigate any rapid changes in demand.

- **Marketing** – It’s critical to communicate openly with your customers about the status of your operations, what protective measures you’ve implemented, and how they (as customers) will be protected when they visit your business. Promotions may also help incentivize customers who may be reluctant to patronize your business.
- **Plan** – As a business, bring your staff together and prepare a plan for what you will do if the incident worsens or improves. It’s also helpful to conduct a tabletop exercise to simulate potential scenarios and how your business management and staff might respond to the hypothetical scenario in the exercise. For examples of tabletop exercises, visit FEMA’s website at: <https://www.fema.gov/emergency-planning-exercises>

## SBA Products and Resources

- SBA is here to assist small businesses with accessing federal resources and navigating their own preparedness plans as described by the [CDC’s Guidance for Businesses and Employers](#).
- SBA works with a number of local partners to counsel, mentor and train small businesses. The SBA has 68 District Offices, as well as support provided by its Resource Partners, such as SCORE offices, Women’s Business Centers, Small Business Development Centers and Veterans Business Outreach Centers. When faced with a business need, use the [SBA’s Local Assistance Directory](#) to locate the office nearest you.
- **Access to Capital**
  - SBA provides a number of loan resources for small businesses to utilize when operating their business. For more information on loans or how to connect with a lender, visit: <https://www.sba.gov/funding-programs/loans>.
  - **7(a) program** offers loan amounts up to \$5,000,000 and is an all-inclusive loan program deployed by lending partners for eligible small businesses within the U.S. States and its territories. The uses of proceeds include: working capital; expansion/renovation; new construction; purchase of land or buildings; purchase of equipment, fixtures; lease-hold improvements; refinancing debt for compelling reasons; seasonal line of credit; inventory; or starting a business.
  - **Express** loan program provides loans up to \$350,000 for no more than 7 years with an option to revolve. There is a turnaround time of 36 hours for approval or denial of a completed application. The uses of proceeds are the same as the standard 7(a) loan.
  - **Community Advantage** loan pilot program allows mission-based lenders to assist small businesses in underserved markets with a maximum loan size of \$250,000. The uses of proceeds are the same as the standard 7(a) loan.
  - **504** loan program is designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition or eligible refinance of fixed assets.



- **Microloan** program involves making loans through nonprofit lending organizations to underserved markets. Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (does not include real estate). The maximum loan amount is \$50,000 with the average loan size of \$14,000.
- **Exporting Assistance**
- SBA provides export loans to help small businesses achieve sales through exports and can help these businesses respond to opportunities and challenges associated with trade, such as COVID-19. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products.
    - **Export Express** loan program allows access to capital quickly for businesses that need financing up to \$500,000. Businesses can apply for a line of credit or term note prior to finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.
    - **Export Working Capital** program enables small businesses to fulfill export orders and finance international sales by providing revolving lines of credit or transaction-based financing of up to \$5 million. Businesses could use a loan to obtain or retain overseas customers by offering attractive payment terms.
    - **International Trade** loan program helps small businesses engaged in international trade to retool or expand to better compete and react to changing business conditions. It can also help exporting firms to expand their sales to new markets or to re-shore operations back to the U.S.

## Government Contracting

- SBA is focused on assisting with the continuity of operations for small business contracting programs and small businesses with federal contracts. For more information on federal contracting, visit <https://www.sba.gov/federal-contracting/contracting-guide>
- More specifically:
- **8(a) Business Development** program serves to help provide a level playing field for small businesses owned by socially and economically disadvantaged people or entities, and the government limits competition for certain contracts to businesses that participate. The 8(a) program offer and acceptance process is available nationwide, and the SBA continues to work with federal agencies to ensure maximum practicable opportunity to small businesses. 8(a) program participants should stay in touch with their Business Opportunity Specialist (BOS).
  - **HUBZone** program offers eligibility assistance every Thursday from 2:00-3:00 p.m. ET at 1-202-765-1264; access code 63068189#. Members of the HUBZone team answer questions to help firms navigate the certification process. For specific questions regarding an application, please contact the HUBZone Help Desk at [hubzone@sba.gov](mailto:hubzone@sba.gov).

- [Women-owned Small Business](http://www.sba.gov/wosbready) firms who have questions, please visit [www.sba.gov/wosbready](http://www.sba.gov/wosbready) or write to [wosb@sba.gov](mailto:wosb@sba.gov).
- If a situation occurs that will prevent small businesses with government contracts from successfully performing their contract, they should reach out to their contracting officer and seek to obtain extensions before they receive cure notices or threats of termination. The SBA's Procurement Center Representatives can assist affected small businesses to engage with their contracting officer. Use the [Procurement Center Representative Directory](#) to connect with the representative nearest you.

## Local Assistance

- SBA works with a number of local partners to counsel, mentor, and train small businesses. The SBA has 68 District Offices, as well as support provided by its Resource Partners, such as SCORE offices, Women's Business Centers, Small Business Development Centers and Veterans Business Outreach Centers. When faced with a business need, use the [SBA's Local Assistance Directory](#) to locate the office nearest you.



## **Section III: United States Department of Agriculture** **(USDA)**

The USDA vision is to provide economic opportunity through innovation, helping rural America to thrive; to promote agriculture production that better nourishes Americans while also helping feed others throughout the world; and to preserve our Nation's natural resources through conservation, restored forests, improved watersheds, and healthy private working lands.

### **Disaster Supplemental Nutrition Assistance Program (D-SNAP)**

- Program Description
  - The Disaster Supplemental Nutrition Assistance Program (D-SNAP) gives food assistance to low-income households with food loss or damage caused by a natural disaster.
  - The U.S. Department of Agriculture's Food and Nutrition Service (USDA FNS) must approve states to operate D-SNAP in a disaster area. The President must declare Individual Assistance for the disaster area and your state must request FNS approval to operate D-SNAP.
  - If approved for D-SNAP benefits, you will get an Electronic Benefits Transfer (EBT) card to access them. You use it just like a debit card to buy food at most local grocery stores.
- General Program Requirements
  - Because of the unique needs of disaster survivors, D-SNAP uses different standards than normal SNAP. If you would not normally qualify for SNAP, you may qualify for D-SNAP if you had one of the disaster-related expenses below:
    - Home or business repairs
    - Temporary shelter expenses
    - Evacuation or relocation expenses
    - Home or business protection
    - Disaster-related personal injury, including funeral expenses
    - Lost or no access to income due to the disaster, including reduced, terminated, or delayed receipt of income, for a large part of the benefit period
    - In some cases, food loss after a disaster like flooding or power outages
  - If you're a current SNAP client, you can request a supplement when your state operates a D-SNAP if you meet the conditions below:
    - You currently get benefits that are less than the monthly maximum, and
    - You have losses from the disaster.
  - The supplement brings your benefits up to the maximum for your household size. This way benefits are equal between D-SNAP and SNAP households after a disaster.

- Current SNAP clients may also request replacement benefits for food that was lost in the disaster and bought with SNAP benefits. Just contact your local office.
- Application Process
  - As a disaster survivor, you may apply for D-SNAP benefits at special sites in your community. Before the program begins, state agencies release information through local media and press. This can help you learn the location of application sites, their days of operation, and the eligibility requirements.

## Opportunities for Immediate Relief

### **Rural Housing Service**

#### *Single-Family Housing*

Effective March 19, borrowers with USDA single-family housing Direct and Guaranteed loans are subject to a moratorium on foreclosure and eviction for a period of 60 days. This action applies to the initiation of foreclosures and evictions and to the completion of foreclosures and evictions in process.

#### Direct Loan Program:

- USDA has waived or relaxed certain parts of the application process for Single-Family Housing Direct Loans, including site assessments, and has extended the time period that certificates of eligibility are valid.
- A Direct Loan borrower who is experiencing a reduction of income by more than 10 percent can request a Payment Assistance package to see if he/she is eligible for payment assistance or for more assistance than currently received.
- Moratorium Assistance is available for Direct Loan borrowers experiencing medical bill expenses (not covered by insurance) or job loss because of COVID-19. Qualifying borrowers can receive a moratorium on house payments for a period of time, repaid at a later date.
- Direct Loan questions should be directed to USDA's Customer Service Center at 800-414-1226 (7:00 a.m.-5:00 p.m. Eastern Time Monday-Friday) or <https://www.rd.usda.gov/contact-us/loan-servicing>. Call volume and wait times are high at this time.

#### Guaranteed Loan Program:

- Guaranteed Loan borrowers who are in default or facing imminent default due to a documented hardship can have payments reduced or suspended by their lender for a period not to exceed 12 months delinquency. Once the hardship is resolved, the lender can modify the loan to cure the delinquency or make up the missed payments based on the borrower's individual circumstances.
- \* USDA is granting lenders temporary exceptions pertaining to appraisals, repair inspections and income verification for the Single-Family Housing Guaranteed Loan Program (SFHGLP) due to the COVID-19 pandemic. Effective immediately, the following exceptions to Agency guidance found at HB-1-3555 are in effect for a period of 60-days.
  - \* **Residential Appraisal Reports – Existing Dwelling:** For purchase and non-streamlined refinance transactions, when an appraiser is unable to complete an interior inspection of an existing dwelling due to concerns associated with the

COVID-19 pandemic, an “Exterior-Only Inspection Residential Appraisal Report”, (FHLMC 2055/FNMA 2055) will be accepted. In such cases, appraisers are not required to certify that the property meets HUD HB 4000.1 standards. The appraisal must be completed in accordance with the Uniform Standards of Professional Practice (USPAP) and the Uniform Appraisal Dataset (UAD). This exception is not applicable to new construction properties or construction-to-permanent loans. As a reminder, appraisals are not required for streamlined and streamlined-assist refinance transactions.

- \* Repair Inspections – Existing Dwelling: For loans for which a completion certification is not available due to issues related to the COVID-19 pandemic, a letter signed by the borrower confirming that the work was completed is permitted. Lenders must also provide further evidence of completion, which may include photographs of the completed work, paid invoices indicating completion, occupancy permits or other substantially similar documentation. All completion documentation must be retained in the loan file. This exception is not applicable to rehabilitation and repair loans noted in section 12.28 of HB-1-3555.
- \* Verbal Verification of Employment: Lenders must document and verify the borrower’s annual and repayment income in accordance with Agency regulations. Lenders should use due diligence in obtaining the most recent income documentation to re-verify the borrower’s repayment ability prior to closing. When the lender is unable to obtain a Verbal Verification of Employment (VVOE) within 10 business days of loan closing due to a temporary closure of the borrower’s employment, alternatives should be explored. For example, email correspondence with the borrower’s employer is an acceptable alternative to a VVOE. If the lender is unable to obtain a VVOE or acceptable alternative, the requirement will be waived when the borrower has a minimum of two months cash reserves. In the case of a reduction of income, the borrower’s reduced income must be sufficient to support the new loan payment and other non-housing obligations. Borrowers with no income at the time of closing are not eligible for SFHGLP loans regardless of available cash reserves.
- \* Expiration of Temporary Exceptions: These temporary exceptions will expire 60 days from the date of this notice.
- Guaranteed Loan servicing questions should be directed to: [sfhgld.program@usda.gov](mailto:sfhgld.program@usda.gov).
- \* For more information, visit the following web pages:
  - SFHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>
  - SFHGLP webpage: <https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>
  - USDA LINC Training and Resource Library: <https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>
  - Procedure Notices: <https://www.rd.usda.gov/resources/directives/procedures-notices>



### *Multi-Family Housing*

Multi-Family Housing is taking several steps to help owners, management agents and tenants maintain quality housing during the COVID-19 outbreak. Specifically, three immediate steps are effective for Section 515 Multi-Family properties:

- Tenant certifications due March 31, April 30 and May 31 for Multi-Family properties have been extended to June 30 with no late fees or overage charges, as allowed in Multi-Family guidance (HB-3-3560, Chapter 4, Section 4.11). This extension will allow for additional time to complete needed certifications while avoiding face-to-face meetings as recommended by the Centers for Disease Control and Prevention (CDC).
- Late fees on Section 515 mortgages will be waived, subject to waiver authority in 7 CFR 3560.403 (c)(3).
- Section 515 Annual Financial Statements due March 31 will be extended 30 days, as per Multi-Family guidance (HB-2-3560 Chapter 4, Section 4.16-H). USDA is exploring whether a longer extension is appropriate and will provide further guidance.
- Current policy states that owners must process an interim recertification at the tenant's request if there is a change in income of \$50 or more per month. The owner should already have this policy in writing and apply it consistently. To the maximum extent possible, we encourage all owners to work with all tenants with impacted income to adjust rent payments.
- USDA encourages all owners to work with impacted residents and families to adjust rent payments, enter into forbearance agreements, and lessen the impact on affected residents. At this time, no additional subsidy funding has been made available. If borrowers are temporarily unable to make loan payments, the Agency may waive late fees and enter into an official workout plan.

### **Rural Utilities Service**

- On March 20, 2020, USDA extended for 60 days the deadline for Telecommunications and Electric Program borrowers and grantees to submit their annual CPA audit. In most cases, such audits are due to the agency by April 30, 2020.
- USDA is waiving borrower covenant requirements for loan agreement financial ratios for the period from Jan. 1, 2020, through Dec. 31, 2020. Additionally, USDA is waiving all financial reporting requirements associated with existing Rural Utilities Service (RUS) loan and grant covenants beginning Jan. 1, 2020 through June 30, 2020.
- The RUS Administrator has delegated authority to the RUS Telecommunications, Electric, and Water and Environmental Programs to consider requests to waive certain site inspection requirements during the current COVID-19 National Emergency.
- Applicants will be able to use alternative methods to notify the public, such as through videoconferences, teleconferences and public notices on websites and in local newspapers, as a substitute for the public meeting notification requirement for water and waste projects.
- On a case-by-case basis, USDA will help Electric Program borrowers gain access to obligated funds more quickly at current low interest rates by considering extensions of loan terms (within statutory limits); considering requests to move obligated funds between the Electric Program's six budget purposes where the new purpose has cleared environmental review; and by considering Temporary Normal Inventory (TNI) requests.
- For assistance, please contact:

- Electric Program: Christopher McLean, [Christopher.mclean@usda.gov](mailto:Christopher.mclean@usda.gov), 202-407-2986
- Telecommunications Program: Laurel Leverrier, [laurel.leverrier@usda.gov](mailto:laurel.leverrier@usda.gov), 202-495-9142
- Water and Environmental Programs: Edna Primrose, [edna.primrose@usda.gov](mailto:edna.primrose@usda.gov), 202-494-5610

### **Rural Business-Cooperative Service**

- Beginning immediately, through July 31, 2020, USDA Business and Industry Loan Guarantees (B&I) and Rural Energy for America Program (REAP) Guaranteed lenders may assist borrowers experiencing temporary cash flow issues by deferring payments for a period no longer than 120 days. The lender must notify the Agency in writing of any payment deferrals. Written notification to the Agency will meet the standard for concurrence until July 31, 2020. A response from the Agency is not required. This guidance applies to ALL borrowers that had a current repayment status as of March 1, 2020.
  - If the guaranteed loan has been sold on the secondary market, the secondary market holder and lender must agree to the deferral actions being taken. The Agency will expect a written agreement from both parties in these instances.
- RBCS intermediary borrowers continue to have authority to service loan portfolios independent of USDA. Intermediary borrowers participating in these programs may approve loan payment deferrals to their borrowers without USDA approval. These programs are:
  - Intermediary Relending Program (IRP)
  - Rural Business Development Grant (RBDG)
  - Rural Economic Development Loan and Grant (REDL and REDG)
  - Rural Microentrepreneur Assistance Program (RMAP)
- For existing Intermediary Relending Program (IRP) and Rural Economic Development Loan (REDL) borrowers, the Agency is committed to maintaining well-capitalized intermediary lenders and will work with you on loan servicing requests on a case-by-case basis to make sure you remain a pillar in our rural business communities.

### **\* Rural Development Guaranteed Loan Programs**

Effective immediately until September 30, 2020, lenders may offer 180-day loan payment deferrals without prior agency approval for [Business and Industry Loan Guarantees](#), [Rural Energy for America Program Loan Guarantees](#), [Community Facilities Loan Guarantees](#), and [Water and Waste Disposal Loan Guarantees](#). For additional information, see page 17721 of the March 31, 2020, [Federal Register](#).

## **EXTENSION OF APPLICATION DEADLINES**

USDA is extending the application window for the following programs:

### **Rural Business-Cooperative Service**

- USDA extended the application deadline for the *Rural Business Development Grant* (RBDG) program to no later than April 15, 2020. Contact the [Rural Development office](#) for the



deadline in your state. USDA announced the extension in an Unnumbered Letter posted March 19, 2020.

- USDA extended the application deadline for the *Rural Energy for America Program* (REAP) to April 15, 2020. For additional information, see page 16925 of the March 25, 2020, [Federal Register](#).

\* **Rural Utilities Service**

- \* USDA extended the application deadline for the *ReConnect Pilot Program* to April 15, 2020. For additional information, see page 17530 of the March 30, 2020. [Federal Register](#).

## COVID-19 Federal Rural Resource Guide

- USDA and its Federal partners have programs that can be used to provide immediate and long-term assistance to rural communities affected by the COVID-19 outbreak. These programs can support recovery efforts for rural residents, businesses and communities through:
  - Technical, training, and management assistance;
  - Financial assistance; and
  - State and local assistance
- This resource matrix organizes funding opportunities identified in the CARES Act and other federal resources that can help support rural America. Opportunities are categorized by customer and assistance type.
- For more information on the immediate actions USDA is taking to respond to COVID-19, visit [www.usda.gov/coronavirus](http://www.usda.gov/coronavirus)
- For the latest news from the CDC on COVID-19, visit [www.coronavirus.gov](http://www.coronavirus.gov)

Link to download guide can be found [here](#).

## **Section IV: The Federal Reserve System**

The Federal Reserve System is the central bank of the United States. It performs five general functions to promote the effective operation of the U.S. economy and, more generally, the public interest. The Federal Reserve: conducts monetary policy, promotes the stability of the financial system, promotes safety of individual financial institutions, fosters payment and settlement system to the banking industry, and promotes consumer protection.

### **Overview of Federal Reserve Lending and Liquidity Facilities**

The Federal Reserve has announced several new programs to provide up to \$2.3 trillion in loans, intended to support the economy during the coronavirus pandemic. A link to the Federal Reserve's press release can be found [here](#). These actions include a Paycheck Protection Program Liquidity Facility, two Main Street Lending Facilities, and a Municipal Liquidity Facility. These programs are intended to provide lending and liquidity assistance to financial institutions, U.S. corporations, small to mid-sized businesses, and states and municipalities. Below is a brief overview of each facility. The Federal Reserve also announced updates to three previously established capital markets facilities: the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF) and the Term Asset-Backed Securities Loan Facility (TALF). Through these programs, the Federal Reserve plans to support up to \$850 billion in credit backed by \$85 billion in credit protection provided by the Treasury. Some of this funding may come from the Exchange Stabilization Fund, while some may come from the CARES Act. Banking Committee Staff is reviewing the changes to the terms and funding of these facilities.

#### **Paycheck Protection Program Lending Facility**

**Purpose:** The Paycheck Protection Program Lending Facility is intended to provide liquidity to participating financial institutions through term financing backed by SBA Paycheck Protection Program (PPP) loans to small businesses. This facility will extend credit to eligible financial institutions that originate PPP loans and pledge those loans to the Facility as collateral.

**Who can borrow under the Facility:** U.S. depository institutions that originate PPP loans to small businesses.

**Available funding:** Loans to depository institutions will be the same amount as the principal amount of the PPP loans pledged as collateral to secure the extension of credit. Currently, the CARES Act authorizes up to \$349 billion in loans to small businesses, fully guaranteed as to principal and accrued interest by the SBA.

#### **Main Street New Loan Facility and Expanded Loan Facility**

**Purpose:** The Main Street New Loan Facility and the Main Street Expanded Loan Facility are intended to support small and mid-sized businesses that were in good financial standing before the crisis by offering 4-year loans. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses. Banks will keep a 5% share and sell a 95% participation in a new loan or in the increased amount of a restructured existing loan to the Facility.

**Who can lend under the Facilities:** U.S. insured depository institutions, U.S. bank holding companies, U.S. savings and loan holding companies.

**Who can borrow under the Facilities:** Businesses -

With up to 10,000 employees or up to \$2.5 billion in 2019 revenue, and

Which are created or organized in the U.S. or under U.S. law with significant operations and employees in the United States.

\*Borrowers may not participate in more than one of the Main Street New Loan Facility, Main Street Expanded Loan Facility, or the Primary Market Corporate Credit Facility.

**Requirements for the loans purchased by the Facilities:** The facility can purchase loans with a four year maturity and principal and interest deferred for one year, among other requirements. For the New Loan Facility, loans must be originated on or after April 8, 2020 and are generally capped at \$25 million. For the Expanded Loan Facility, loans must be originated before April 8, 2020 and are generally capped at \$150 million. A borrower will also be required to attest that it meets certain requirements regarding its need and eligibility for the loan and will abide by certain restrictions during the term of the loan.

**Available funding:** Eligible funds are distributed between the Main Street New Loan Facility Main Street Expanded Loan Facility for a total of \$600 billion.

#### Municipal Liquidity Facility

**Purpose:** The Municipal Liquidity Facility is intended to support lending to U.S. states and the District of Columbia (States), U.S. cities with over one million residents (Cities), and U.S. counties with over two million residents (Counties). Eligible state-level issuers may use a portion of the proceeds to support additional counties and cities. The Federal Reserve will lend to the facility, and the facility will purchase notes issued by states and municipalities.

**Who can borrow under the Facility:** A State, City, or County (or an instrumentality thereof that issues on behalf of the State, City, or County for the purpose of managing its cash flows) is eligible to participate, in each case subject to review and approval by the Federal Reserve. Only one issuer per State, City, or County is eligible.

**Requirements for the notes purchased by the Facility:** The facility can purchase tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs), and other similar short-term notes issued by eligible issuers, provided that such notes mature no later than 24 months from the date of issuance, subject to determination of eligibility by the Federal Reserve and acceptable legal opinions and disclosures.

**Available funding:** The facility will have the ability to purchase up to \$500 billion in eligible notes.

## Section V: Senate Small Business Committee



An online version of the guide can be downloaded [here](#)  
U.S. Senate Committee on  
**Small Business & Entrepreneurship**

**Senator Ben Cardin**  
Ranking Member

### The Small Business Owner's Guide to the CARES Act

- The programs and initiatives in the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain non-profits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.
- To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate [here](#).
- Struggling to get started? The following questions might help point you in the right direction. Do you need:
  - Capital to cover the cost of retaining employees? Then the [Paycheck Protection Program](#) might be right for you.
  - A quick infusion of a smaller amount of cash to cover you right now? You might want to look into an [Emergency Economic Injury Grant](#).
  - To ease your fears about keeping up with payments on your current or potential SBA loan? The [Small Business Debt Relief Program](#) could help.
  - Just some quality, free counseling to help you navigate this uncertain economic time? The [resource partners](#) might be your best bet.

### Paycheck Protection Program (PPP) Loans

The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. **Loans are available through June 30, 2020.**

### FREQUENTLY ASKED QUESTIONS:

- What types of businesses and entities are eligible for a PPP loan?



- Businesses and entities must have been in operation on February 15, 2020.
- Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.
- What are affiliation rules?
  - Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see this resource for more on these rules and how they can impact your business's eligibility.
- What types of non-profits are eligible?
  - In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on revenue, not employee number. You can check [here](#).
- How is the loan size determined?
  - Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always \$10 million.
    - **If you were in business February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs. If your business is a seasonal employer, the max loan is equal to 250 percent of your average monthly payroll costs between February 15, 2019 – June 30, 2019; you can also opt to choose March 1, 2019 as your time period start date.
    - **If you were not in business between February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.
    - **If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020** and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.
- What costs are eligible for payroll?

- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of State or local tax assessed on the compensation of employees
- What costs are **not** eligible for payroll?
  - Employee/owner compensation over \$100,000
  - Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
  - Compensation of employees whose principal place of residence is outside of the U.S.
  - Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the [Families First Coronavirus Response Act](#)
- What are allowable uses of loan proceeds?
  - Payroll costs (as noted above)
  - Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
  - Employee salaries, commissions, or similar compensations (see exclusions above)
  - Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
  - Rent (including rent under a lease agreement)
  - Utilities
  - Interest on any other debt obligations that were incurred before the covered period
- What are the loan term, interest rate, and fees?
  - For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).
- How is the forgiveness amount calculated?
  - Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):
  - Payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus and any covered utility payment.
- How do I get forgiveness on my PPP loan?
  - You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.
- What happens after the forgiveness period?
  - Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.
- Can I get more than one PPP loan?
  - No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.
- Where should I go to get a PPP loan from?
  - All current SBA 7(a) lenders (see more about [7\(a\) here](#)) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.
- How does the PPP loan coordinate with SBA's existing loans?
  - Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from [Small Business Investment Corporations](#) (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.
- How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?
  - [Emergency Economic Injury Grant](#) and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the [Small Business Debt Relief Program](#) may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.

#### Small Business Debt Relief Program

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, 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

- Which SBA loans are eligible for debt relief under this program?
  - 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible.
- How does debt relief under this program work with a PPP loan?
  - Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.
- How do I know if I'm eligible for a 7(a), 504, or microloan?
  - In general, businesses must meet [size standards](#), be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <https://www.sba.gov/funding-programs/loans> for more details.
- What is a 7(a) loan and how do I apply?
  - 7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit [this site](#) to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.
- What is a 504 loan and how do I apply?
  - The [504 Loan Program](#) provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.
- What is a microloan and how do I apply?
  - The [Microloan Program](#) provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called [Lender Match](#) to help find a microlender near you.
- I am unfamiliar with SBA loans, can anyone help me apply?
  - Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center [here](#).



### Economic Injury Disaster Loans & Emergency Economic Injury Grants

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

#### FREQUENTLY ASKED QUESTIONS

- Are businesses and private non-profits in my state eligible for an EIDL related to COVID-19?
  - Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.
- What is an EIDL and what is it used for?
  - EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment at the Administrator's discretion, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
- Who is eligible for an EIDL?
  - Those eligible are the following with 500 or fewer employees:
    - Sole proprietorships, with or without employees
    - Independent contractors
    - Cooperatives and employee owned businesses
    - Tribal small businesses
  - Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of any size. See [below](#) for more info on size standards.
- My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?
  - Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, or if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. However, a recipient that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible to receive an EIDL. If you are uncertain whether you qualify, please consult with legal counsel to determine whether your organization meets program criteria.
- Who is eligible for an Emergency Economic Injury Grant?

- Those eligible for an EIDL and who have been in operation since January 31, 2020, when the public health crisis was announced.
- How long are Emergency Economic Injury Grants available?
  - **January 31, 2020 –December 31, 2020.**The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.
- If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?
  - Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.
- How do I know if my business is a small business?
  - Please visit <https://www.sba.gov/size-standards> to find out if your business meets SBA's small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business's 3-year average annual revenue.
- How do I apply for an economic injury disaster loan?
  - To apply for an EIDL online, please visit <https://disasterloan.sba.gov/ela>. Your [SBA District Office](#) is an important resource when applying for SBA assistance.
- I am unfamiliar with the EIDL process, can anyone help me apply?
  - Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at <https://www.sba.gov/local-assistance/find/>

#### Counseling & Training

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women's Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit <https://www.sba.gov/local-assistance/find/>. In addition, the Minority Business

Development Agency's Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit [this site](#).

## FREQUENTLY ASKED QUESTIONS

- Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?
  - Counseling is free and training is low-cost with these partners. The additional funds that Congress provided will help keep this possible. Mentorship through SCORE is always free.
- What is a SBDC?
  - SBDCs are a national network of nearly 1,000 centers that are located at leading universities, colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above. To find out more about SBDCs, visit <https://americassbdc.org/about-us/>
- What is a WBC; is it only for women?
  - WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about WBCs, visit <https://www.awbc.org/>.
- What is SCORE?
  - SCORE provides free, confidential business advice through our volunteer network of 10,000+ business experts. You can meet with a mentor online. Find out more [here](#).
- Who do MBDCs serve?
  - MBDCs are a good option for minority-owned businesses (including those owned by Black, Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets —domestic & global —and grow in size and scale.

### Contracting

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to your [local](#) Small Business Development Center, Women's Business Center, SCORE chapter, or SBA District Office. You should also work with

your agency’s contracting officer, as well as the agency’s Office of Small and Disadvantaged Business Utilization (OSDBU





## **Section VI: Notice of Funding Opportunities**

### **Department of Justice, FY 2020 Coronavirus Emergency Supplemental Funding Program**

The Coronavirus Emergency Supplemental Funding (CESF) Program will provide funding to assist eligible states, local units of government, and tribes in preventing, preparing for, and responding to the coronavirus.

Allowable projects and purchases include, but are not limited to, overtime, equipment (including law enforcement and medical personal protective equipment), hiring, supplies (such as gloves, masks, sanitizer), training, travel expenses, and addressing the medical needs of inmates in state, local, and tribal prisons, jails, and detention centers.

Download information on eligibility and how to apply [here](#).

### **United States Department of Agriculture, Distance Learning and Telemedicine Grants**

Authorized by 7 U.S.C. 950aaa, the DLT Program provides financial assistance to enable and improve distance learning and telemedicine services in rural areas. DLT grant funds support the use of telecommunications-enabled information, audio and video equipment, and related advanced technologies by students, teachers, medical professionals, and rural residents. These grants are intended to increase rural access to education, training, and health care resources that are otherwise unavailable or limited in scope.

The regulation for the DLT Program can be found at 7 CFR part 1734. All applicants should carefully review and prepare their applications according to instructions in the FY 2020 DLT Grant Program Application Guide (Application Guide) and program resources. This Application Guide can be found at <https://www.rd.usda.gov/programsservices/distance-learning-telemedicine-grants>. Expenses incurred in developing applications will be at the applicant's own risk.

#### **For more information:**

Questions about this announcement can be directed to Shawn Arner, Deputy Assistant Administrator, Office of Loan Origination and Approval, Rural Utilities Service, U.S. Department of Agriculture, telephone: (202) 720-0800, email: [dltinfo@usda.gov](mailto:dltinfo@usda.gov).

### **Federal Communications Commission, COVID-19 Telehealth Program**

The COVID-19 Telehealth Program will provide \$200 million in funding, appropriated by Congress as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act,<sup>2</sup> to help health care providers provide connected care services to patients at their homes or mobile locations in response to the novel Coronavirus 2019 disease (COVID-19) pandemic. The COVID-19 Telehealth Program will provide immediate support to eligible health care providers responding to the COVID-19 pandemic by fully funding their telecommunications services, information services, and devices necessary to provide critical connected care services until the program's funds have been expended or the COVID-19 pandemic has ended.

Eligibility Determination Health care providers seeking to participate in the COVID-19 Telehealth Program must obtain an eligibility determination from the Universal Service Administrative Company (USAC) for each health care provider site that they include in their application.<sup>4</sup> Health care provider sites that USAC has already deemed eligible to participate in the Commission's existing Rural Health Care (RHC) Programs may rely on that eligibility determination for the COVID-19 Telehealth Program. Interested health care providers that do not already have an eligibility determination may obtain one by filing an FCC Form 460 (Eligibility and Registration Form) with USAC.<sup>5</sup> Applicants that do not yet have an eligibility determination from USAC can still nonetheless file an application with the Commission for the COVID-19 Telehealth Program while their FCC Form 460 is pending with USAC. The FCC Form 460 can be found at: <https://www.usac.org/rural-health-care/resources/forms/>

Application and Request for Funding and Registering to Receive Payments Through COVID-19 Telehealth Program Interested parties must submit an application and request for funding through the COVID-19 Telehealth Program to the Commission. The Bureau will make available an online portal for completing and submitting applications and requests for funding through the COVID-19 Telehealth Program. The Bureau will release a Public Notice and post information about the web address and opening date for that portal on the Commission's Keep Americans Connected page: <https://www.fcc.gov/keep-americansconnected>. A copy of the completed application will be filed by the system in the Commission's Electronic Comment Filing System (ECFS) at a later date. To submit an application and request for funding, the applicant must first obtain an FCC Registration Number (FRN). Additionally, to receive payment through the COVID-19 Telehealth Program, applicants must be registered with the federal System for Award Management. While interested parties do not need to be registered with the System for Award Management in order to submit an application, the Bureau strongly encourages them to start that process early.

Obtaining an FCC Registration Number (FRN) All applicants, like all other entities doing business with the Commission, must register for an FRN in the Commission Registration System (CORES). An FRN is a 10-digit number that is assigned to a business or individual registering with the FCC. This unique FRN is used to identify the registrant's business dealings with the FCC. To register with CORES, please use the following link: <https://apps.fcc.gov/core/userLogin.do>.

### **Department of Labor, National Dislocated Worker Grants Program**

National Dislocated Worker Grants (DWGs) are discretionary grants awarded by the Secretary of Labor under Section 170 of the Workforce Innovation and Opportunity Act (WIOA) to provide employment-related services for dislocated workers. The Department funds two types of DWGs: Disaster Recovery and Employment Recovery.

Disaster Recovery DWGs provide funding to create temporary employment opportunities to assist with clean-up and recovery efforts when an area impacted by an emergency or major disaster is declared eligible for public assistance by the Federal Emergency Management Agency (FEMA), or is declared, or otherwise recognized, as an emergency or disaster of national significance by a Federal agency with authority or jurisdiction over Federal response to the disaster or emergency.

Employment Recovery DWGs temporarily expand capacity to serve dislocated workers and to meet the increased demand for employment and training services following a qualifying event. Qualifying events include major economic dislocations, such as plant closures, mass layoffs, or higher-than-average demand for employment and training activities for dislocated members of the Armed Forces and their spouses. Under 20 CFR 687.110(a)(5), the Secretary of Labor may determine other major dislocations eligible for Employment Recovery DWGs.

More information can be found at [www.grants.gov](http://www.grants.gov) with the funding opportunity number of ETA-TEGL-12-19

For any additional questions please contact Jenifer McEnery at [McEnery.Jenifer@dol.gov](mailto:McEnery.Jenifer@dol.gov)



## Letters of Support from Senator Gillibrand

While Senator Gillibrand does NOT decide which organizations are awarded grants, there are instances in which it is appropriate for Senator Gillibrand to write a letter of support for an application. If you wish to request a letter of support for your application, you must supply Senator Gillibrand with the following:

1. A description of your organization
2. Summary of the application
3. a description of what the money will be used for
4. a draft letter of support

Please forward this information to the nearest regional office

### **Capital District**

Senator Kirsten Gillibrand  
Leo W. O'Brien Federal Office Building  
11A Clinton Avenue  
Room 821  
Albany, NY 12207  
Tel: (518) 431-0120  
Fax: (518) 431-0128

### **Western New York**

Senator Kirsten Gillibrand  
Larkin at Exchange  
726 Exchange Street, Suite 511  
Buffalo, NY 14210  
Tel: (716) 854-9725  
Fax: (716) 854-9731

### **Long Island**

Senator Kirsten Gillibrand  
155 Pinelawn Road  
Suite 250 North  
Melville, NY 11747  
Tel: (631) 249-2825  
Fax: (631) 249-2847

### **New York City**

Senator Kirsten Gillibrand  
780 Third Avenue  
Suite 2601  
New York, New York 10017  
Tel. (212) 688-6262  
Fax (866) 824-6340

### **North Country**

Senator Kirsten Gillibrand  
PO Box 749  
Lowville, NY 13367  
Tel. (315) 376-6118  
Fax (315) 376-6118

### **Rochester-Finger Lakes Region**

Senator Kirsten Gillibrand  
Kenneth B. Keating Federal Office Building  
100 State Street  
Room 4195  
Rochester, NY 14614  
Tel. (585) 263-6250  
Fax (585) 263-6247



**Central New York**

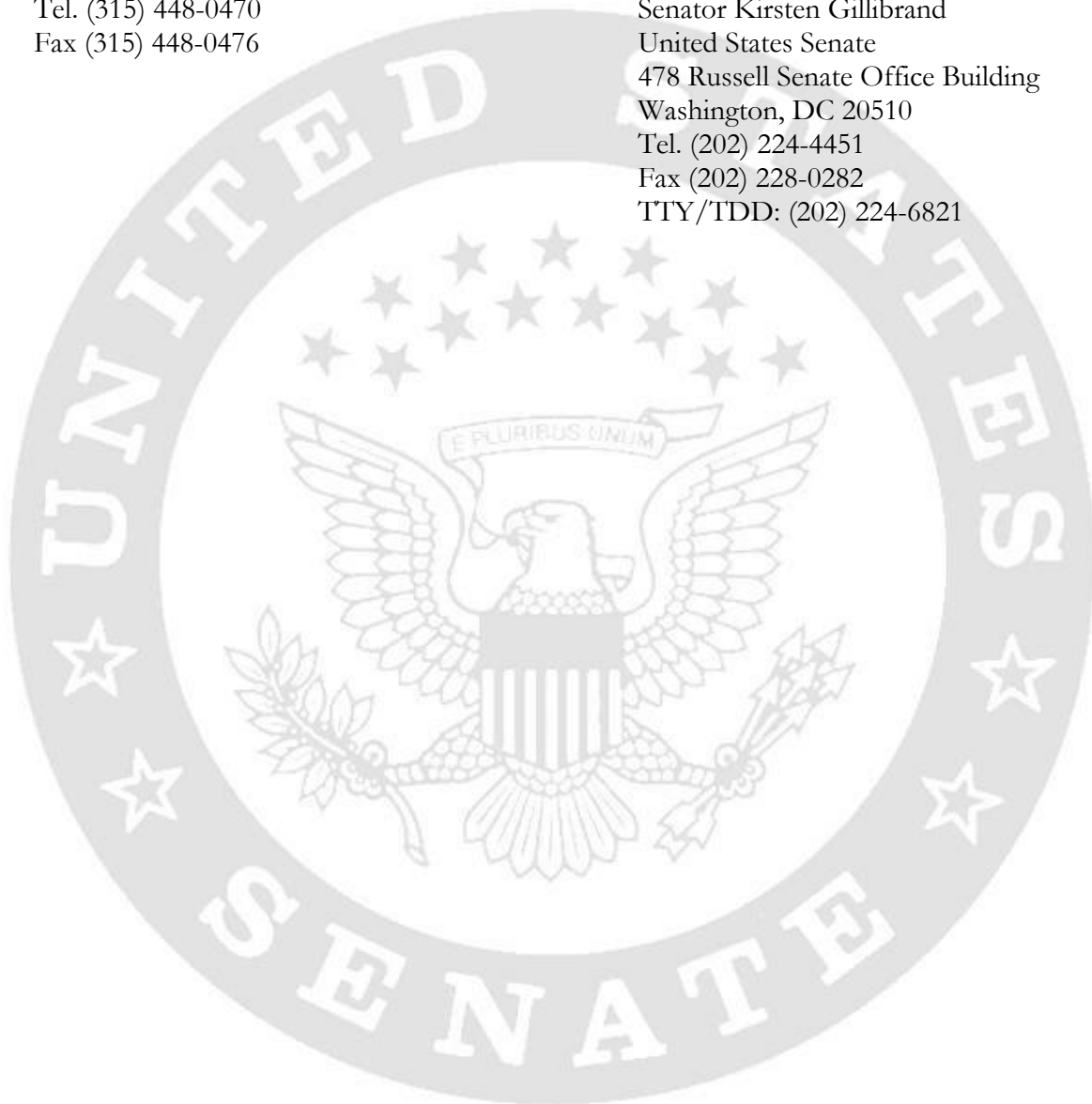
Senator Kirsten Gillibrand  
James M. Hanley Federal Building  
100 South Clinton Street  
Room 1470  
PO Box 7378  
Syracuse, NY 13261  
Tel. (315) 448-0470  
Fax (315) 448-0476

**Hudson Valley**

Senator Kirsten Gillibrand  
P.O Box 749  
Yonkers, NY 10710  
Tel. (845) 875-4585

**Washington D.C.**

Senator Kirsten Gillibrand  
United States Senate  
478 Russell Senate Office Building  
Washington, DC 20510  
Tel. (202) 224-4451  
Fax (202) 228-0282  
TTY/TDD: (202) 224-6821



## Grant Guide Order Form

If you would like to order additional grant guides from our office, please indicate what guides you would like to have and complete the below address information. If you have any questions, please contact us at (212) 688-6262.

### Guide

- |   |  |
|---|--|
| <input type="checkbox"/> Affordable Housing                         | <input type="checkbox"/> Home Heating and Weatherization                   |
| <input type="checkbox"/> Ag/ Rural Development                      | <input type="checkbox"/> Homeland Security                                 |
| <input type="checkbox"/> At Risk Youth / Anti Gang                  | <input type="checkbox"/> Innovation and Cluster Based Economic Development |
| <input type="checkbox"/> Broadband                                  | <input type="checkbox"/> K-12 Education and Libraries                      |
| <input type="checkbox"/> Brownfields/Superfund Site Cleanup         | <input type="checkbox"/> Lead Paint Remediation                            |
| <input type="checkbox"/> City Infrastructure                        | <input type="checkbox"/> Minority and Women Owned Business                 |
| <input type="checkbox"/> Faith-Based / Community Initiatives        | <input type="checkbox"/> Obesity Prevention / Nutritious Foods             |
| <input type="checkbox"/> Fire and Emergency Services                | <input type="checkbox"/> Senior Services                                   |
| <input type="checkbox"/> General Grants                             | <input type="checkbox"/> Small Business                                    |
| <input type="checkbox"/> Green Energy and Clean Technology          | <input type="checkbox"/> Social Services /Community Groups                 |
| <input type="checkbox"/> Green Schools                              | <input type="checkbox"/> Veterans Services                                 |
| <input type="checkbox"/> Higher Education                           | <input type="checkbox"/> Water and Wastewater Funding                      |
| <input type="checkbox"/> Historic Preservation/Arts/Culture/Tourism |  |

Mail to: **Senator Kirsten Gillibrand, 780 Third Ave, 26<sup>th</sup> Floor, New York , New York 10017**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Organization:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, ZIP:** \_\_\_\_\_

## Casework Form

If you have encountered a problem involving a federal government agency or federally subsidized benefit that you have not been able to successfully resolve, Senator Kirsten Gillibrand's staff of constituent liaisons may be able to assist you in the following areas:

**Employment Issues:** including assistance with disability benefits, employer-provided health care plans and COBRA, Family Medical Leave Act (FMLA) benefits, pensions, unemployment benefits, Federal and State Workers Compensation claims, and retirement-related issues.

**Consumer Affairs:** including assistance obtaining a home loan modification under the Making Home Affordable Program, insurance claims, dissatisfaction with consumer products or services, environmental regulations, and concerns regarding air quality, water or land contamination.

**Immigration Issues:** including issues with visitor visas, family and employment based visas, lawful permanent resident status, naturalization, international adoptions, detention, passports, customs and border issues, and assistance to American Citizens in crisis abroad.

**Veteran Issues:** including issues with VA pension and disability benefits, education benefits, veteran burial or funeral issues, and issues regarding the VA medical centers.

**IRS Issues:** including connecting constituents with the Taxpayer Advocate Service to address federal tax issues including lost or delayed tax refunds, penalty abatements, payment installation plans, tax credits, referrals to IRS Low Income Tax Clinics and paper tax forms.

**Military Issues:** including issues pertaining to the Department of Defense, Army, Navy, Marine Corps, Air Force, Coast Guard, Reserves and New York State National Guard, as well as obtaining military records, medals and academy nominations.

**Health Care Issues:** including issues with Medicare and Medicaid, health insurance, insurance providers, nursing homes, hospitals, prescription drugs, and 9/11 health matters.

**Social Security:** including issues with Supplemental Security Income, Social Security Disability, survivors' benefits, and retirement benefits.

**Social Services:** including issues with food stamps, HEAP (low-income heating program), FEMA and disaster relief, and issues related to federally subsidized housing.

Please visit the "Help" section of [www.gillibrand.senate.gov](http://www.gillibrand.senate.gov) or call (212) 688-6262 for further information. Please note that if you are seeking assistance with a case that involves a lawsuit or litigation, Senate Rules prohibit the Office of Senator Gillibrand from giving legal advice or intervening in the proceedings.

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