



U.S. Small Business
Administration

Northwoods/Northeast Wisconsin Government Opportunities - Funding Options SBA Certifications

As of 7/21/20

Small Business Economic Relief

Tools Made Available in Response to Coronavirus (COVID-19)

CARES Act



Paycheck Protection Program



SBA Debt Relief

SBA Base Programs Expanded



Economic Injury Disaster Loans
Includes deferment through 2020



Traditional SBA-backed Lending
(includes SBA Express Bridge Loan)



No-Cost Business Advising
Additional funding via partners

Economic Injury Disaster Loans

Direct Loans from the Federal Government



EIDL

- As of June 16, re-opened to all eligible businesses, non-profits & agricultural businesses
- Submitted applications continue to be processed on a first-come, first-served basis
- Low interest, long term loans with payments deferred for 1 year
- To be used for working capital for day-to-day business expenses.

Status updates available through SBA's Office of Disaster Assistance

- 800-659-2955 (TTY/TDD: 1-800-877-8339); disastercustomerservice@sba.gov

SBA's Office of Disaster Assistance is processing applications as quickly as possible; additional staff have been hired to meet the demand

- SBA Field Offices do not have access to the EIDL applications

Economic Injury Disaster Loan

About the Economic Injury Disaster Loan

- The Economic Injury Disaster Loan is a working capital loans at a low-interest federal loan
- It may be used to pay fixed debts, payroll, accounts payable and other bills
- Applicants apply directly to SBA's Disaster Assistance Program at [DisasterLoan.sba.gov](https://disasterloan.sba.gov)
- There is no cost to apply

Loan Approval Criteria

- Applicants must have a credit history acceptable to SBA
- SBA must determine that the applicant business has the ability to repay the SBA loan
- The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons

Loan Information

- The interest rates for this disaster are 3.75% for small businesses and 2.75% for nonprofit organizations with terms up to 30 years determined on a case-by-case basis
- Eligibility is based on the size and type of business and its financial resources
- 12 Month payment deferral on EIDL loan; interest accrues

Economic Injury Disaster Loan Eligibility

FOR-PROFIT SMALL BUSINESS

- Small business with less than 500 employees
- Businesses over 500 that meet size standards
- Tribal small business concerns under 500 employees
- Agricultural Enterprises

NON-PROFIT ORGANIZATIONS

- Private non-profit organizations
- Faith-based organizations

Visit: <https://www.sba.gov/size>

Paycheck Protection Program

Overview

First round: \$349 billion

- Provided in CARES Act signed into law on March 27
- Opened on April 3; funds exhausted at 10 a.m. EDT on April 16
- 1.6+ million loans approved
- SBA processed more than 14 years' worth of loans in less than 14 days

Second round: \$310 billion

- Provided in PPP & Health Care Enhancement Act signed into law on April 24; \$60 billion set aside for smaller lenders and CDFIs (to better serve the smallest businesses)
- Re-opened on April 27
- Money remains available (approx. \$132 Billion)

PPP total as of 7-10-20: Nationally, 4.9+ Million loans for \$517+ Billion; in Wisconsin, over 85,000 small businesses and organizations approved for over \$9.8 Billion.



Paycheck Protection Program

Eligibility & What it Provides

WHO is eligible:

Small business that meets SBA's size standards (either industry based or alternative size)

Must have been in existence as of 2/15/2020

Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern with the greater of:

- 500 employees, or
- With a NAICS Code that begins with 72 (Accommodations and Food Services) with more than one physical location and employs less than 500 per location

Sole proprietors, independent contractors, and self-employed persons

WHAT does it provide:

An up to \$10 million, SBA-guaranteed loan with a 1% interest rate of which up to 24 weeks of eligible expenses are potentially forgivable based on certain parameters being met, including the use of at least 60% of loan proceeds on eligible payroll costs

Paycheck Protection Program (PPP)



- Up to \$10M, 2-year term, 1% interest
 - Loan payments deferred for 10 months, interest will accrue
 - Loan amount based on 2.5 x average monthly payroll
- **Required documentation may include**
 - **Payroll records or tax filings**
 - **Form 1099-MISC**
 - **Income, expense for sole proprietorship**
- No Fees, Collateral or Personal Guarantees
- Apply directly with Lender – [Wisconsin lenders here](#)
- You can see sample documents at the PPP website (Forms [2483](#), [2484](#))
- www.sba.gov/paycheckprotection

Paycheck Protection Program

- **Loan Amount is based on 2.5x average monthly payroll costs:**
 - Can use data from previous 12 months or from calendar year 2019
 - Seasonal businesses may calculate based on period between February 15, 2019 (or March 1, 2019) and June 30, 2019 or any 12-week period between May 15 and September 30, 2019
 - If not in business from February 15, 2019 to June 30, 2019, may use period from January 1, 2020 and February 29, 2020
- Payroll costs are limited to the first \$100,000 in cash compensation earned by any employee, not to include non-cash benefits
- Non-cash benefits include employer contributions to defined-benefit or defined-contribution retirement plans, payment for employee benefits consisting of group health care coverage (including premiums) and payment of state and local taxes assessed on compensation of state and local taxes assessed on compensation

Paycheck Protection Program

PPP Flexibility Act (6-5-2020) and PPP Extension

The SBA is updating rules, guidance and various forms for implementation. Some items to note from the Act are:

- Last day for the SBA to accept loan applications from lenders has now been extended to August 8, 2020.
- Borrowers now only have to use 60% (changed from 75%) of the loan proceeds for payroll costs for forgiveness; if a borrower uses less than 60% for payroll costs, the borrower will continue to be eligible for partial loan forgiveness
- Covered period is now 24 weeks (changed from 8 weeks) from loan disbursement or December 31, 2020, whichever is earlier; for loans prior to June 5, borrowers can elect 8 weeks
- Any PPP loan after June 5 now has a five-year term; term changes for PPP loans prior to June 5 will have to be agreed to between borrower and lender
- Additional safe harbors from reduction in loan forgiveness re: the inability to return to previous business levels or to rehire or find new qualified employees
- Borrower has 10 months from the end of the covered period to submit Forgiveness documentation to the lender; if the borrower does not ask for forgiveness, principal and interest payments will start 10 months from the eligible date of forgiveness. **Note: There are 2 different PPP loan forgiveness applications available; choose either the 'EZ' form or the regular longer form.**

SBA Debt Relief



Eligibility

- **SBA will cover principal, interest and fees for 6 months**
- Current 504, 7(a) and Microloan borrowers are eligible
- New 504, 7(a) and Microloan loans between 3/27/2020 and 9/27/2020 are also eligible
- **NEW for SBA Express loans: Loan amount to \$1,000,000 through 12-31-20; upfront guaranty fee permanently waived for Veterans**

Loan Specifics

- Size of loan, interest rate, term, fees, use of proceeds, and collateral are determined by the loan program
 - Information on SBA loan programs ins Resource Guide -

SBA Debt Relief



- Personal guarantees are required
- Collateral required
- Use for expansion, FFE, working capital, growth, refinance

- Apply with a lender that participates in the loan program
 - Participating Lenders - Deadline for new loans to close and be funded is 9/27/2020
 - List of participating lenders in [SBA Wisconsin Small Business Resource Guide](#)

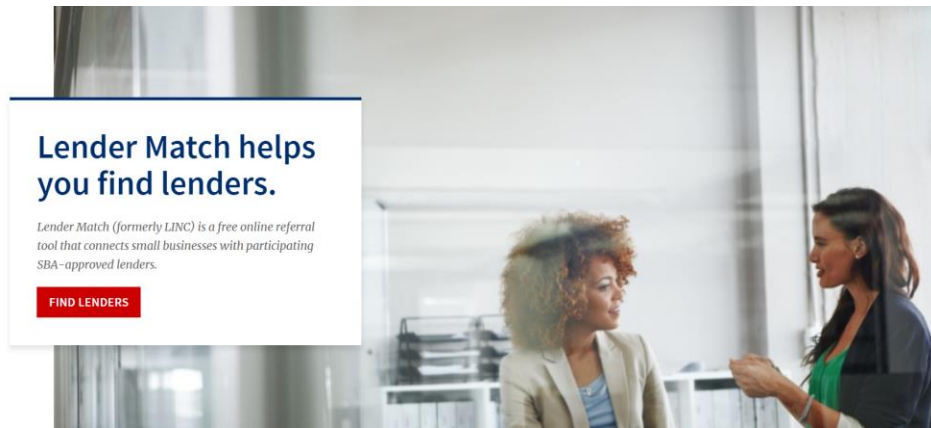
- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>

SBA Express Bridge Loans



- **Current customers of SBA Express Lenders are eligible**
 - Apply with Express Lenders - Loan amount up to \$25,000 for up to 7 years
 - [SBA Express Lenders in Wisconsin](#)
- Interest rate is Prime +6.5%
- Guarantee fee – 2% on guaranteed portion of loan
- Use for working capital
- Collateral not required
- Personal guaranty is required
- **Lender can require loan to be repaid with disaster funds.**
- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans>

LenderMatch



Online tool connects prospective borrowers with lenders; Successor to LINC

- Prospective borrower answers 10 questions
- Lenders will respond within 48 hours if any interest; 800+ participating
- To apply: look for LenderMatch at www.sba.gov

Set-Aside for Certification Programs and Socio-Economic Categories

Targeted set-asides and acquisition goals:

Women-Owned Small Businesses
(5%)

Small Disadvantaged Businesses
(including 8(a) certified) (5%)

HUBZone Businesses (3%)

Service-Disabled Veteran-Owned
Small Businesses (3%)



Set-asides are reserved for small business between \$10,000 (Micro-purchase Threshold) to \$250,000 (Simplified Acquisition Threshold)

15

FY2019 Wisconsin Contracting Dollars



Total Contracting Dollars: \$5.87B



Total to Small Business: \$878.94M



Percentage to Small Business: 14.96%

Small Business Certifications in Wisconsin

- WI Located 8(a) Firms: **26**
- Service-Disabled Veteran Owned SB: **181**
- Veteran Owned SB (includes SDVOSB): **403**
- HUBZone: **65**
- Woman Owned SB(includes EDWOSB): **607**
- Economically Disadvantaged Woman Owned SB: **173**

Final Rule: WOSB Certification Program

85 FR 27650

- The final rule was published in the Federal Register on May 11, 2020. This final rule fully details changes to the certification process to the WOSB Program, as put forth in the 2015 National Defense Authorization Act (NDAA), with new WOSB Program regulations intended to enhance program oversight and effectiveness.
- Please note it contains two separate effective dates: July 15 and October 15.

Upcoming Certification Changes

- Starting July 15, 2020, SBA will begin initial intake of applications. On October 15, 2020, SBA will begin issuing decisions on certification applications.

- **As of October 15, 2020, businesses will have to be certified either through:**
 - SBA's new, free online certification process (<https://beta.certify.sba.gov/>)
 - or
 - through an approved TPC, at a cost, in order to compete for WOSB Program set-aside contracts.

SBA Partner Disaster Loan Help

All locations are working remotely. Contact by phone or email.

ORGANIZATION	LOCATIONS	PHONE	EMAIL/WEBSITE
SBA	Milwaukee Madison	414-297-3941 608-441-5263	Wisconsin@sba.gov
SBDC Network	13 offices statewide	Answerline 800-940-7232	Find local contacts & loan assistance https://business.wisconsin.edu/about/covid-19/
WI Women's Business Initiative Corp.	Milwaukee, Madison, Racine, Kenosha, Appleton, Green Bay, La Crosse		info@wwbic.com www.wwbic.com En Espanol: Lily Alvarado, Lily.alvarado@wwbic.com
Western WI Women's Business Center	Independence, Eau Claire- Karman Briggs		karman.briggs@wdeoc.org www.successfulbusiness.org
SCORE	Milwaukee	414-297-3942	Score.28@scorevolunteer.org Counseling.28@scorevolunteer.org madison.Score@scorevolunteer.org
Find mentors https://www.score.org/coronavirus-sba-loans	Madison		ch.admin0535@scorevolunteer.org
	Marshfield		
	Eau Claire	715-834-1573	
	Fox Cities (Appleton)		score.foxcities@scorevolunteer.org
	Green Bay	920-222-2167	greenbayscore@gmail.com
Veterans Business Outreach Center	Statewide-Makeba Butler	414-395-4566	wwbic.com/veterans vboc@wwbic.com

SBA Wisconsin District Office

Get COVID19 Updates from Wisconsin SBA

E-news signup—www.sba.gov/updates—email and zip code, or text SBA to GOV311 to get there

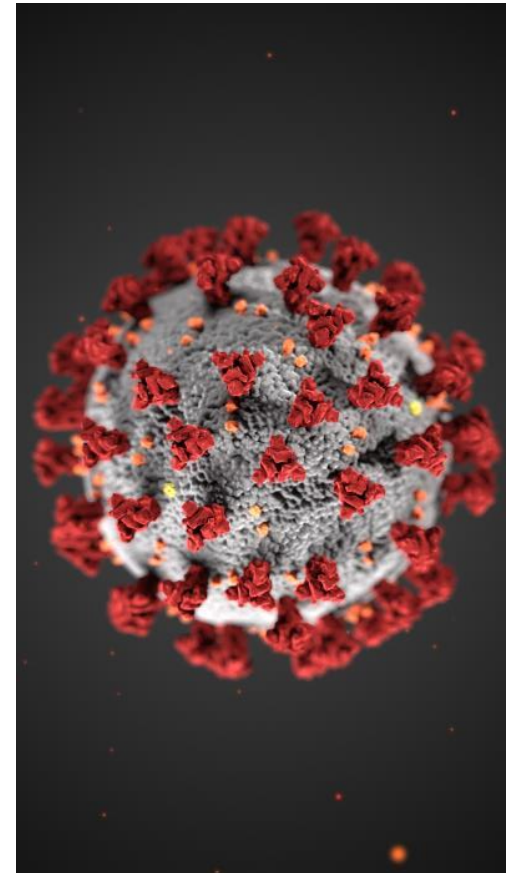
Twitter: @SBA_Wisconsin –fast information sharing from our office and SBA HQ as well as partners and other agencies—multiple daily updates.

- Facebook: U.S. Small Business Administration
- Instagram: @SBAgov
- LinkedIn: U.S. Small Business Administration

Find the latest Wisconsin updates anytime:
(bookmark this page)

<https://www.sba.gov/offices/district/wi/milwaukee/updates>

Have a question for us? Email the WI District office at wisconsin@sba.gov.



Questions? Need Help?



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wisconsin@sba.gov.