

# Small Business Financial Resources Related to COVID-19

## Small Business Association (SBA)

### Economic Injury Disaster Loans (EIDL)

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

### Economic Injury Disaster Loan Advances

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 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.

- This **Advance** may be available even if your **EIDL** application was declined or is still pending, and **will be forgiven**.
- If you have already applied for an EIDL Loan and wish to apply for the Advance, please visit [www.SBA.gov/Disaster](http://www.SBA.gov/Disaster) as soon as possible to fill out a new, streamlined application. In order to qualify for the Advance, you need to submit this new application even if you previously submitted an EIDL application. Applying for the Advance will not impact the status or slow your existing application.

## Paycheck Protection Program

The Paycheck Protection Program is designed to provide a direct incentive for small businesses to keep their workers on payroll by providing each small business a loan up to \$10 million for payroll and certain other expenses.

If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable.

The SBA doesn't lend the money directly, but backs a loan from an SBA-approved lender. Here's a link to info on SBA approved lenders in Minnesota:

<https://www.sba.gov/offices/district/mn/minneapolis/resources/minnesota-lenders-list>

This program is still under development. Please check the SBA website in the coming days and sign up for their newsletter.

- For more on SBA programs for the coronavirus, please visit [www.sba.gov/coronavirus](http://www.sba.gov/coronavirus).
- SBA will be sharing additional information as it becomes available via their newsletter. Sign up at [www.sba.gov/updates](http://www.sba.gov/updates).

## **Minnesota Department of Employment and Economic Development (DEED)**

### **Small Business Emergency Loan**

***First Come, First Served.*** This program is specifically for businesses affected by [Executive Orders 20-04](#) and [20-08](#) which includes businesses such as restaurants, breweries, theaters, fitness centers, and salons. Please click on the executive order links above to see a detailed list of affected business types.

Loan through this program will:

- Range from \$2,500 to \$35,000 and will be based on the firm's economic injury and the financial need
- Be interest free
- Be paid back monthly over five (5) years and the first payment will be deferred six (6) months
- Partial forgiveness may be available
- Be provided to only Minnesota-based businesses

Loans applications should be made through a certified nonprofit lender. The Minnesota Consortium of Community Developers (MCCD) is a nonprofit lender that provides services in Hennepin County. The initial application form can be found [here](#). Application forms and questions can be to MCCD at [info@mccdmn.org](mailto:info@mccdmn.org).

More information about the program can be found here:

<https://mn.gov/deed/business/financing-business/deed-programs/peacetime/>

## **Minnesota Small Business Loan Guarantee Program**

DEED now offers the Minnesota Small Business Loan Guarantee Program. This temporary program, established in response to the 2020 public health emergency, will help Minnesota lenders provide capital to small businesses in Minnesota affected by COVID-19. These loans can be used for a variety of purposes and can be subordinate to other financing. Allowable loan uses must be exclusively in Minnesota and include machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; and working capital when the working capital is secured by fixed assets when possible.

The funds can only be provided to Minnesota businesses with fewer than the equivalent of 250 employees. The number of employees includes parent company and all locations. The program will provide an 80% guarantee up to a maximum of \$200,000. A fee of .25 percent on the guarantee loan principal will be charged for each loan enrolled into the program.

All loans will be made by lenders enrolled in the program – no loans will come directly from DEED. DEED is now accepting applications from **lenders** who would like to participate in the program.

**If your business is seeking funding, please check back to this site to obtain contact information for enrolled lenders as it becomes available.**

<https://mn.gov/deed/business/financing-business/deed-programs/loan-guarantee/#2>