



U.S. Small Business
Administration

The webinar will begin shortly



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2021 SBA COVID-19 Economic Relief Overview

Current as of March 30, 2021

This presentation provides a general overview of the programs the SBA is administering related to provisions in the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues (the Economic Aid Act) and American Rescue Plan Acts. In the event of any inconsistency between this presentation and the PPP Extension Act of 2021, American Rescue Plan Act, the Economic Aid Act, the PPP Flexibility Act of 2020, the CARES Act, PPP IFRs, SBA FAQs, PPP Application Forms and Instructions, and other PPP guidance (together, official guidance), the official guidance governs.

Information Current as of 3/30/21 – Visit [SBA.gov/relief](https://www.sba.gov/relief) for the most up-to-date information.

Agenda

- 1 Where We Are
- 2 SBA COVID-19 Economic Relief Funding Options
- 3 Loan Programs – PPP, EIDL, Debt Relief
- 4 Payment & Grant Programs – Targeted EIDL Advance, SVOG
- 5 **Coming Soon:** Supplemental Targeted EIDL Advance, Community Navigators & Restaurant Revitalization Grants
- 6 Additional Assistance & Resources



In late February and early March 2021, the Biden-Harris Administration and SBA took steps to ensure inclusivity and equitable relief for America’s mom-and-pop businesses that anchor our neighborhoods and help families build wealth.

Where We Are

President Biden signed the [American Rescue Plan Act](#) into law on March 11, 2021, providing additional relief for hard-hit small businesses while building a bridge toward economic recovery, and on March 30, 2021, he signed the PPP Extension Act of 2021 into law.

The SBA is committed to administering the economic aid as quickly as possible and ensuring its equitable delivery to America’s small businesses and other eligible entities.

Information Current as of 3/30/21 – Visit www.sba.gov/relief for the most up-to-date information.

SBA COVID-19 Economic Relief Funding Options

Loan Programs

Payment & Grant Programs



Paycheck
Protection
Program



Debt Relief on
SBA 7(a), 504
and Microloans



Economic Injury
Disaster Loan, Targeted
EIDL Advance and
COMING: Supplemental
Targeted EIDL Advance



Shuttered Venue
Operators Grant
COMING: Restaurant
Revitalization Grant

Top PPP Takeaways from the Economic Aid and American Rescue Plan Acts

- Expanded PPP eligibility and how funds can be used
- A borrower can select a covered period to be **between 8 and 24 weeks**
- A Second Draw PPP loan option for hardest hit small businesses
- Deduction of expenses covered with forgiven PPP loan debt on federal taxes
- Updated simplified forgiveness form to include PPP loans of up to \$150,000 (86% of PPP loans submitted in 2020)
- EIDL Advance no longer subtracted from PPP loan forgiveness amount



[SBA.gov/ppp](https://www.sba.gov/ppp)

Prioritizing Equitable Relief for Mom-and-Pop Businesses

Policy changes took effect in late February & early March 2021

- A 14-day exclusive application period during which lenders could only submit applications for the smallest businesses and nonprofits with fewer than 20 employees
- Increased support for independent contractors, sole proprietors, and eligible self-employed individuals



[SBA.gov/ppp](https://www.sba.gov/ppp)

Information Current as of 3/30/21 – Visit www.sba.gov/relief for the most up-to-date information.

Updated Loan Amount Calculation for 1040 Schedule C Filers

Sole proprietors, independent contractors & eligible self-employed

- Schedule C filers can use **gross income** rather than **net profit** to calculate their PPP loan amount to receive more financial support
- Not retroactive for Schedule C filers who submitted a PPP application using the old form
- If you submitted a Schedule C PPP application prior to March 3, 2021, speak to your lender immediately to see if it can be withdrawn or canceled so the new form can be used
- If the loan has already been disbursed & lender has filed a Form 1502 Report, it cannot be cancelled, and no changes can be made to the loan amount calculation



[SBA.gov/ppp](https://www.sba.gov/ppp)

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PPP Eligibility Expanded and Clarified

Additional steps to further promote fair and equitable relief

- Eliminated restrictions on businesses with owners who have **prior non-financial fraud felony convictions**
- Eliminated the restriction on businesses owned or controlled by owners who are currently delinquent or have defaulted on **federal student loan debt**
- Clarified all persons lawfully residing in the U.S. have access to the PPP. Permitting the use of **Individual Taxpayer Identification Numbers (ITINs)** as an identifier for a PPP borrower



[SBA.gov/ppp](https://www.sba.gov/ppp)

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What is a First Draw PPP Loan?

For eligible applicants that did not receive a PPP loan prior to Aug. 9, 2020

- Must have been in business by Feb. 15, 2020
- Borrowers can set the covered period to use PPP loan proceeds to be any length between 8 and 24 weeks after disbursement
- Additional types of entities now eligible
- Covered eligible expenses are expanded
- Must apply **on or before May 31, 2021**, or until Congressional appropriations are exhausted



SBA.gov/ppp

First Draw PPP Loan Eligibility

Must comply with size standards, eligibility criteria & certain limitations

Newly Eligible per American Rescue Plan Act

- Certain additional 501(c) non-profit organizations
- Certain internet-only news & internet-only periodical publishing organizations

Still Eligible

- Sole proprietors, independent contractors, self-employed individuals
- Business entities (e.g., partnerships, corporations, LLCs)
- Tribal businesses
- 501(c)(3) non-profit organizations
- 501(c)(19) Veterans organizations
- Housing cooperatives
- Destination marketing organizations
- Certain 501(c)(6) organizations such as Chambers of Commerce
- Certain news organizations



[SBA.gov/ppp](https://www.sba.gov/ppp)

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What is a Second Draw PPP Loan?

For borrowers that previously received a PPP loan, have 300 employees or less, and suffered a 25% reduction in gross receipts

- Maximum loan amount is \$2 million
- First Draw and Second Draw PPP loan covered periods cannot overlap
- Must demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020



[SBA.gov/ppp](https://www.sba.gov/ppp)

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PPP Loan Application Process



1. Find a PPP Lender

- [SBA.gov/LenderMatch](https://www.sba.gov/LenderMatch)
- [SBA.gov/paycheckprotection/find](https://www.sba.gov/paycheckprotection/find)
- Contact SBA Resource Partner:
[SBA.gov/local-assistance](https://www.sba.gov/local-assistance)

2. Complete Application

- Include all supporting documentation
- Get help from SBA Resource Partner: [SBA.gov/local-assistance](https://www.sba.gov/local-assistance)

3. SBA Issues Loan

- Lender submits application electronically to the SBA for compliance check & loan number

May 31, 2021 (or when appropriated funding is exhausted) is the final deadline for lenders to submit PPP loan applications to the SBA



[SBA.gov/ppp](https://www.sba.gov/ppp)

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PPP Loan Terms / Maturity

If the PPP loan is not 100% forgiven

PPP loans have:

- A fixed interest rate of 1% that is non-compounding and non-adjustable
- No requirement for collateral or personal guarantees
- No fees or prepayment penalties
- A five-year maturity (for those issued before June 5, 2020, it's two years); borrowers can ask their lender to extend to five years
- Payments start once borrower knows how much of the PPP loan is forgiven; lender will notify the borrower
- If borrowers do not apply for forgiveness, payments start 10 months after the last day of the covered period



[SBA.gov/ppp](https://www.sba.gov/ppp)

PPP Loan Forgiveness

**Borrowers must apply for PPP loan forgiveness through their lender;
lenders submit lender forgiveness decisions to the SBA**

Per the Economic Aid Act

- EIDL Advances are no longer deducted from PPP loan forgiveness payment
- Expenses paid with PPP loan funds are federally tax deductible; **contact the IRS** for details on this
- Expanded forgivable expenses are permissible for any unforgiven PPP loan
- **New:** simplified forgiveness application for PPP loans \$150,000 and under

Per the CARES Act

- Forgiven PPP loans are not federally taxable income



[SBA.gov/ppp](https://www.sba.gov/ppp)

COVID-19 Economic Injury Disaster Loan (EIDL)

Provides economic aid to businesses experiencing a temporary loss of revenue due to COVID-19

Economic Aid Act Extended Deadline to Dec. 31, 2021

- Can be used for working capital and normal operating expenses such as continuation of health care benefits, rent, utilities, fixed debt payments
- **Terms:** 3.75% for businesses (fixed), 2.75% for nonprofits (fixed), 30 years, no pre-payment penalty; loans over \$25,000 secured by UCC filing (\$100 deducted from loan proceeds)
- **Eligibility:** qualified small businesses, cooperatives and agricultural enterprises with 500 or fewer employees (or defined as small per [sba.gov/sizestandards](https://www.sba.gov/sizestandards)), and private non-profits



[SBA.gov/eidl](https://www.sba.gov/eidl)

COVID-19 Economic Injury Disaster Loan (EIDL)

Loan increase and deferment changes

- **Loan Limit:** up to 24-months of economic injury via a \$500,000 maximum loan
- You **do not need to submit an increase request**; the SBA will reach out directly and provide details about how to can request an increase
- **All SBA disaster loan payments are deferred**
 - Loans made in 2020: first payment due 24 months from the date of the note
 - Loans made in 2021: first payment due 18 months from the date of note



[SBA.gov/eidl](https://www.sba.gov/eidl)

Debt Relief for Certain SBA Loans

Program for 7(a), 504 and Microloan Borrowers Only

- For new 7(a), 504 or Microloans approved on or after February 1, 2021 and through September 30, 2021, SBA will pay three months of principal and interest after the loan is fully disbursed and after any deferment, capped at \$9,000 per loan per month.
- Borrowers do not need to apply for this debt relief; the SBA provides it automatically.
- Letters have been distributed to eligible borrowers; a sample letter can be found at www.sba.gov/coronavirusrelief > Debt Relief > Sample Section 1112 Borrower Letter
- Contact your lender with debt relief questions



Targeted EIDL Advance

No action required until contacted by the SBA via direct email invite

New Program in the Economic Aid Act

- Only for businesses & non-profits that applied for an EIDL and 1) are in a **low-income community**; 2) have suffered **greater than 30% economic loss**; and 3) have **300 or fewer employees**
- If you meet the above, a Targeted EIDL Advance will (per funding availability):
 - Balance out a previous EIDL Advance to a full \$10,000
 - Provide \$10,000 to those who applied for an EIDL but didn't receive an Advance payment due to lack of funding
- The **SBA is emailing those who may qualify** with instructions on how to determine eligibility and submit documentation.



Targeted EIDL Advance

Items needed to verify eligibility and submit

- 2019 Federal Tax Return (recommended to have on hand when applying)
- EIN/SSN as specified in original EIDL application
- Monthly gross receipts for 2019, 2020, and completed months in 2021
- Confirmation that the information in original EIDL application is still accurate (changes may require a manual review and documentation)
- Applicants initially eligible will be required to sign a 4506-T for the SBA to obtain tax transcripts for further processing



Targeted EIDL Advance

Application Process

- Only one submission for each Targeted EIDL Advance can be made
- Carefully review the bank account information
- Ensure information submitted is 100% correct; due to limited Targeted EIDL Advance funds, the SBA will not be able to make reconsiderations
- SBA's goal is to process completed applications within 21 days; applications may not be considered complete until after IRS Form 4506-T is received
- **Application questions:** TargetedAdvance@sba.gov
- **If approved:** You will receive an email & ACH deposit to the bank account provided



Shuttered Venue Operators Grant

Over \$16 billion in total available; maximum grant is \$10 million

Eligible Entities

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization and motion picture theater operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Talent representatives
- Maximum of five business entities related via affiliation (for example, one parent firm and four subsidiaries) that also meet the eligibility requirements

Plus ... Must have been in operation as of Feb. 29, 2020

Applications slated to open on April 8, 2021.



SBA.gov/svogrant

Information Current as of 3/30/21 – Visit www.sba.gov/relief for the most up-to-date information.

Shuttered Venue Operators Grant

What to do to prior to application opening in April

- Get registered in the federal government's System for Award Management (SAM.gov)
- Review the often updated Frequently Asked Questions, Preliminary Checklist, Eligibility Requirements and video tutorials on [SBA.gov/svogrant](https://www.sba.gov/svogrant)

Determine Potential Grant; it will be the lesser of \$10 million or:

- If in operation **on** Jan. 1, 2019: 45% of the 2019 gross earned revenue
- If began operation **after** Jan. 1, 2019: the average monthly gross revenue for each full month in operation during 2019 multiplied by 6



[SBA.gov/svogrant](https://www.sba.gov/svogrant)

Cross Eligibility on Currently Available Economic Relief

**** Certain criteria must be met for each program ****

→ Applicant for → ↓ Recipient of ↓	PPP	Shuttered Venue Operators Grant	COVID-19 Economic Injury Disaster Loan
PPP	First Draw PPP borrowers may be eligible to apply for Second Draw PPP loans	May apply if received a PPP loan prior to applying for SVOG. If PPP loan received after Dec. 27, 2020, the amount will be deducted from SVOG.	May apply for EIDL; can't be used for the same purpose/costs as PPP
Shuttered Venue Operators Grant	May not apply for a PPP loan after receiving SVOG	May be eligible to receive a supplemental SVOG	May apply for EIDL; can't be used for the same purpose/costs as SVOG
COVID-19 Economic Injury Disaster Loan	May apply for PPP; but can't be used for the same purpose/costs as EIDL	May apply for SVOG; but can't be used for the same purpose/costs as EIDL	The same business can't apply for more than one EIDL



Information Current as of 3/30/21 – Visit www.sba.gov/relief for the most up-to-date information.

SBA.gov/relief



New Programs per the American Rescue Plan Act

Relief & assistance for the hardest-hit industries and businesses

Supplemental Targeted EIDL Advance Payment: [SBA.gov/targetedadvance](https://www.sba.gov/targetedadvance)

- A \$5 billion fund for \$5,000 payments to those hardest hit

Restaurant Revitalization Fund & Grants

- A \$28.6 billion fund for grants to eligible entities in this hard-hit industry
- Maximum \$5 million grant/location and aggregate maximum \$10 million grant.

Community Navigator Pilot Program: [SBA.gov/navigators](https://www.sba.gov/navigators)

- \$100 million for grants to eligible organizations supporting efforts to improve access to COVID-19 pandemic assistance programs and resources
- \$75 million to support outreach efforts, including the creation of a telephone hotline for information and referral services

Key Takeaways

Loan Programs

Payment & Grant Programs



Paycheck
Protection
Program



Debt Relief on
SBA 7(a), 504
and Microloans



Economic Injury
Disaster Loan, Targeted
EIDL Advance and
COMING: Supplemental
Targeted EIDL Advance



Shuttered Venue
Operators Grant
COMING: Restaurant
Revitalization Grant

Local Resources



Austin SCORE Chapter #249 – Main Office

Westland Park
5524 Bee Caves Rd., Ste. M-100
Austin, TX 78746
Phone: 512.928.2425
www.scoreaustin.org

San Antonio SCORE Chapter #164 – Main Office

Hipolito Federal Courthouse
2nd Floor, Ste. 298
615 E. Houston Street
San Antonio, Texas 78205
Phone: 210.403.5931
www.sanantonioscore.org



LiftFund Women's Business Center

San Antonio Central Public Library
600 Soledad Street
San Antonio, TX 78205
www.liftfund.com



Veterans Business Outreach Center

1407 E. Freddy Gonzalez Dr.
Edinburg, TX 78452
www.utrgv.edu/vboc



South-West Texas Border SBDC Network Office

UTSA Institute for Economic Development (IED)
501 W. Cesar E. Chavez Blvd.
San Antonio, Texas 78207
www.txsbdc.org

UTSA SBDC – San Antonio
210.458.2460

Texas State SBDC – Austin
512.420.9379

TAMIU SBDC – Laredo
956.326.2847

Sul Ross – Eagle Pass
830.758.5022

UHV SBDC – Victoria
361.485.4485

ASU SBDC – San Angelo
325.942.2098

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Email: sado.email@sba.gov



Call: (210)403-5900



www.sba.gov/relief - all economic aid options

www.sba.gov/ppp - Paycheck Protection Program

www.sba.gov/eidl - Economic Injury Disaster Loan & Payment

www.sba.gov/svogrant - Shuttered Venue Operators Grant

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Questions

