

UPDATE – April 9, 2020

Small Business Loans/Grants Available to Co-ops during the COVID 19 crisis.

The Small Business Association (“**SBA**”) has 2 programs available to businesses (including co-ops) with fewer than 500 employees.

They are:

- 1 – The Economic Injury Disaster Loan (“**EIDL**”), and
- 2 – The Paycheck Protection Loan Program (“**PPP**”)

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

UHAB strongly urges all HDFCs and Mitchell Lama’s to apply to one or both of these NOW where appropriate in preparation for the months of economic hardship to come.

Below are some important take-aways from each program. For more detailed information, please read the official SBA information attached and visit their website, or call their 24hour information line for up-to-date information. Things are literally changing every day!

REMEMEBER TO CHECK THE BOX ON YOUR EIDL APPLICATION FOR YOUR EMERGENCY **GRANT of up to \$10,000 (\$1000/employee)**, AVAILABLE TO YOU WHETHER OR NOT YOU QUALIFY.

Stay Well.

Your UHAB friends.



	EIDL <u>Economic Injury Disaster Loan</u>	PPP <u>Paycheck Protection Program</u>
Who Can Apply	Coops directly through SBA	Uncertain if Housing Coops are eligible but they should consult an SBA lender. Coop must have employees.
Maximum Amount	\$15,000 first disbursement unless or until the SBA gets more money for the program.	\$10 million based upon projected losses.
Forgiveness	\$1,000 per employee/member up to \$10,000	Up to 100% if all employees are kept
Uses	To cover expenses like mortgage payment, loans, payroll etc.	To pay for employee payroll, rent and utilities ONLY
Period of Economic Loss	Due to the virus and projected for next 6 months	Pays for 8 weeks of expenses going forward
Interest Rate	2.75% for Not-for-profits (3.75% for For-Profits)	1% fixed
Term	Up to 30 years	2 years
Repayment	1 st Payment deferred for 1 year but interest does accrue.	No payment for 6 months and will become a grant if the business keeps its employees for 6 months
Prepayment	No Prepayment Penalty	No Prepayment Penalty
Cannot be used for:	Expanding a business; to replace profits or patronage	Anything other than payroll expenses, rent and utilities.
Emergency Advance	Up to \$10,000 grant paid in about 7 to 10 days from application.	None
What you need to do in order to apply	Application, estimate losses, provide proof of prior income and expenses (does not need to be audited financial or prepared by an accountant)	Application through an SBA approved lender (proof of income and expenses required - does not need to be audited financial or prepared by an accountant)
How to Apply	SBA Website: https://covid19relief.sba.gov/#/	Local SBA Lender: https://www.sba.gov/partners/lenders/microloan-program/list-lenders
Get Updates	www.sba.gov/updates	www.sba.gov/updates