



Helping Businesses Grow & Succeed



Disaster Loans for Small Businesses COVID-19



State Designated as Florida's Principal Provider of Business Assistance [§ 288.001, Fla. Stat.]



The Florida SBDC works in conjunction with state and federal partners to support small business recovery efforts.





State of Florida Small Business Emergency Bridge Loan (EBL)



What is an “Emergency Bridge Loan?”

- Administered by the State of Florida Department of Economic Opportunity in partnership with and assisted by Florida SBDC Network and Florida First Capital Finance Corp.
- **Short-term loan interest-free** working capital loan backed by Florida taxpayers.
- Intended to “**bridge the gap**” between the time a disaster hits and when a business has secured longer-term recovery assistance.
- **Not a grant! Must be repaid!**



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What is an “Emergency Bridge Loan?”

- **Amount (Max)**
 - **\$50,000 per Business**
 - \$25,000 *FastTrack* Loans (Borrowers with 680+ Credit Score)
 - Up to \$100,000 under certain circumstances
- **Term**
 - 1 Year (365 days from promissory note date)
- **Interest**
 - Interest-free for the term of the loan (1 Year)





State of Florida Small Business Emergency Bridge Loan (EBL)



What is an “Emergency Bridge Loan?”

- **Applicant**
 - Loans made to individual(s) who own, individually or collectively, at least 51% of an Eligible Business.
- **Limitation**
 - Only one loan may be made per Eligible Business
- **Collateral**
 - None – unsecured loan guaranteed by applicant(s)





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What is an “Emergency Bridge Loan?”

- **Use of Proceeds**
 - Required to sign an agreement that proceeds of the loan will be used **only** for purposes of maintaining operations or restarting the business in the designated disaster area.
- **Sources of Repayment:**
 - Required to certify that the proceeds of any insurance claims or other loans applied for (e.g. federal disaster loan) shall be applied or assigned to the repayment of the loan. Business may use business proceeds to repay loan.
- **Application Deadline:**
 - **May 8, 2020** (60 days from Executive Order)



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What is an “Emergency Bridge Loan?”

- **Repayment:**
 - Loans **must** be repaid in full by the maturity date of the established term
- **Consequences of Default:**
 - 12% per annum until the loan is repaid in full
 - Reported default and referred to collection agency
 - Collection agency will charge collection agency fee as a percentage of outstanding balance due and may report loan default to credit reporting agencies.
 - Borrower responsible for the full amount of the loan balance principle, accrued interest and collection agency fee.



State of Florida Small Business Emergency Bridge Loan (EBL)

LOAN APPLICATION PROCESS





State of Florida Small Business Emergency Bridge Loan (EBL)



Step 1: Determine Eligibility

All of the following must be true:

- Business must have **been established and actively operating** a business **physically located in Florida** prior to the date of the designated disaster.
 - Designated Area
 - All 67 counties in Florida per Executive Order 20-52.
 - Designated Disaster Date
 - March 9, 2020.
 - For purposes of this program, actively operating an established business means carrying out the performance of activities for the production of income from selling goods or performing services.



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State of Florida Small Business Emergency Bridge Loan (EBL)



Step 1: Determine Eligibility

All of the following must be true:

- Business must be a **for-profit, privately held small business** that has or had a **minimum of two (2), but no more than one hundred (100), employees** within the previous year of the date of the declared disaster.
 - For purposes of this eligibility requirement, a minimum of two employees means the aggregate number of:
 - W-2 employees
 - “1099 employees” (i.e. independent contractors), and
 - leased employees.



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State of Florida Small Business Emergency Bridge Loan (EBL)



Step 1: Determine Eligibility

All of the following must be true:

- Business must have **repaid**, in full, any **previous Florida Small Business Emergency Bridge Loan**.
- Business applicant must demonstrate that the business has **suffered a significant economic injury** as a result of the declared disaster event.



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State of Florida Small Business Emergency Bridge Loan (EBL)



Step 2: Gather Documents

Compile Required Loan Application Documentation:

- **Business Tax Statements**
 - Previous Two Years
 - If unavailable, provide written explanation
- **Employer Tax Statements**
 - e.g. IRS Forms 941, W-3, W-2s, 1099-MICs, PEO Statement
- **Personal Income Tax Returns for Each Applicant**
 - Previous Two Years
- **Other Support Documents (if necessary)**
 - Interim Financial Statements, Letters of Explanation (e.g. Low Credit), etc.
- **Scan / Save Each as PDF Document**



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Step 3: Apply Online

Apply Online:

FloridaJobs.org

The screenshot shows the Florida Department of Economic Opportunity website. At the top, there is a navigation bar with the DEO logo, social media icons, a search bar, and language options (ESPAÑOL | KREYÒL). Below this is a menu with categories like Reemployment Assistance, Business Growth & Partnerships, Workforce Statistics, Community Planning, and Workforce Development. The main content area is titled "Business Recovery" and includes a breadcrumb trail: Home > Rebuild Florida > Business Recovery. A "Select Language" dropdown is visible. The central graphic features the "Rebuild Florida" logo and the text "BUSINESS RECOVERY" on a green background. At the bottom of this graphic are two buttons: "Home" and "Apply Here".



USE CHROME

The Florida Small Business Emergency Bridge Loan COVID-19



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Step 4: Wait Patiently



**Your Local SBDC Disaster Loan Specialists
Will Contact You**



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Where To Go To Get Assistance?



Questions

FloridaBusinessLoanFun
@DEO.MyFlorida.com
(833) 832-4494

Application Assistance

Contact Your
Local SBDC Office
FloridaSBDC.org



Florida SBDC assist small business
to secure a
State of Florida (DEO)
Small Business

Emergency Bridge Loan

(short-term solution)

THEN

apply for a

Federal U.S. SBA Business

Economic Injury Disaster Loan

(long-term solution)



Federal U.S. SBA Small Business Disaster Loan Assistance



- Direct loans by the U.S. Small Business Administration.
- **Long-term, low interest** working capital loan backed by U.S. taxpayers.
- SBA disaster loan programs are the **primary Federal disaster loan assistance for private sector small businesses** impacted by disasters.
- **Not a grant! Must be repaid!**



COVID-19

U.S. SBA Economic Injury Disaster Loan



One type of SBA business disaster loans for COVID-19:

- ~~– Business Physical Disaster Loans~~
- **Economic Injury Disaster Loans (EIDLs)**

Physical Damage Disaster Loans: Provides up to \$2 million in funds to businesses and private non-profit organizations of any size in the declared disaster area that have sustained physical damage to their property. Funds can be used to repair or replace business property damaged to pre-disaster conditions.

Economic Injury Disaster Loans: Provides up to \$2 million in working capital loans for small businesses and private non-profit organizations in the declared disaster area that suffer economic injury as a direct result of a disaster. Assistance is provided regardless of whether property was damaged.

COVID-19

U.S. SBA Economic Injury Disaster Loan

- **Applicants must:**

- suffered and demonstrate “**substantial economic injury**” directly attributed to event
 - unable to meet its obligations and to pay ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.
- not have credit available elsewhere
- good credit history acceptable to SBA
- demonstrate ability to repay all loans
- pledge collateral where it is available

- Loan amount **up to \$2 M** (higher for “large” employers)

- Interest rate of **3.75 percent**

- Loan terms **up to 30-year** maximum

- Installment payment amount and corresponding maturity—based on borrower’s ability to repay



COVID-19

U.S. SBA Economic Injury Disaster Loan

Eligible applicants may apply online:

DisasterLoan.SBA.Gov

SBA's Customer Service Center at:

- **(800) 659-2955**
 - (800) 877-8339 for deaf and hard-of-hearing
- **DisasterCustomerService@SBA.Gov**

SBA (NOT Florida Bridge Loan) hard copy applications should be mailed to:

U.S. Small Business Administration
Processing and Disbursement Center
14925 Kingsport Road
Fort Worth, TX 76155



SBA Loans | FAQs

Q: What are the typical issues resulting in a **decline?**

A: technical application issues

lack of repayment ability

business do not have sufficient cash flow to support current and/or additional debt)

unsatisfactory credit history

Q: If an applicant is declined for a disaster loan, do they have the opportunity to appeal?

A: Yes, applicants have up to 6 months from date of the decline letter to seek reconsideration of SBA's initial decline decision.

There is also an opportunity to appeal the second decline decision.



SBA Loan Application Deadline

**DON'T WAIT
APPLY TODAY**

– If approved:

- Do not have to accept loan.
- Do not have draw down the full approved loan amount.





The Three Step Process: **Disaster Loans**

<https://disasterloan.sba.gov>

About Disaster Loans

The U. S. Small Business Administration (SBA) provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

STEP 1:
Apply for Loan

STEP 2:
Property Verified
and
Loan Processing
Decision Made

STEP 3:
Loan Closed and
Funds Disbursed

Seek assistance from local SBDC office

BEFORE

submitting the EIDL application

A light blue silhouette of a city skyline with various buildings, palm trees, and a wind turbine, serving as a background for the bottom text.



State (DEO) directs Florida SBDC to collaborate with SBA to coordinate federal business disaster assistance, including establishment of **Business Recovery Centers (BRCs)**

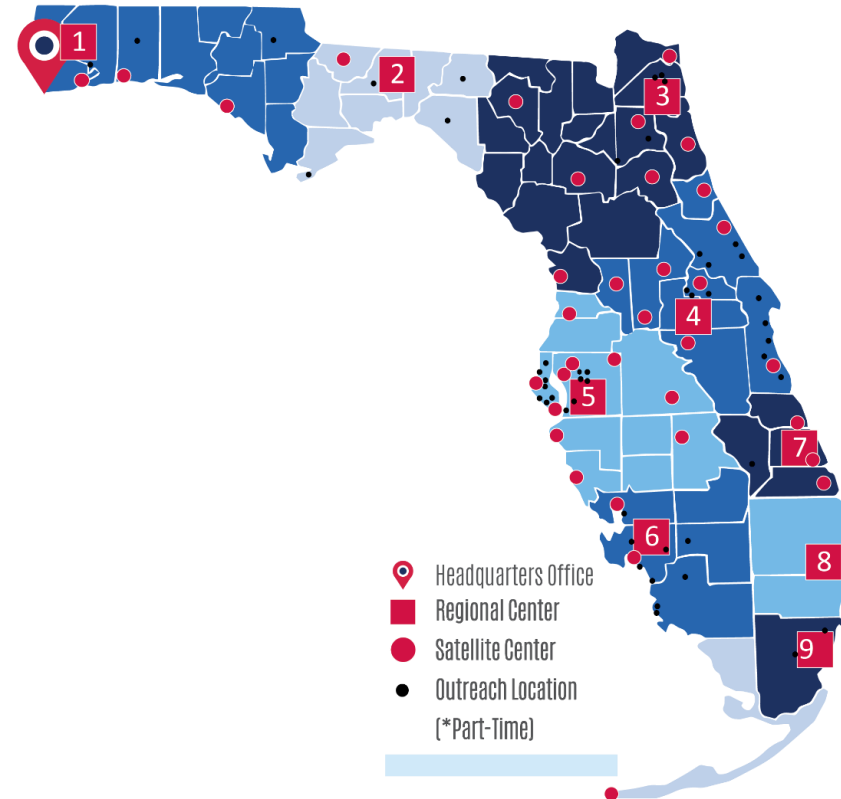
COVID-19 (Coronavirus)

“Virtual”

**Business Recovery
Centers**



- 1** **Florida SBDC at UWF**
 (850) 474-2528 | sbdc@uwf.edu
 Serving the following counties: Bay, Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington County
- 2** **Florida SBDC at FAMU**
 (850) 599-3407 | sbdcfamu@gmail.com
 Serving the following counties: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, and Wakulla County
- 3** **Florida SBDC at UNF**
 (904) 620-2476 | smallbiz@unf.edu
 Serving the following counties: Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Marion, Nassau, Putnam, St. Johns, Suwannee, and Union County
- 4** **Florida SBDC at UCF**
 (407) 420-4850 | sbdc@ucf.edu
 Serving the following counties: Brevard, Flagler, Lake, Orange, Osceola, Seminole, Sumter, and Volusia County
- 5** **Florida SBDC at USF**
 (813) 905-5800 | USF@FloridaSBDC.org
 Serving the following counties: DeSoto, Hardee, Hernando, Highlands, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota County
- 6** **Florida SBDC at FGCU**
 (239) 745-3700 | sbdc@fgcu.edu
 Serving the following counties: Charlotte, Collier, Glades, Hendry, and Lee County
- 7** **Florida SBDC at IRSC**
 (772) 462-7296 | fsbdc@irsc.edu
 Serving the following counties: Indian River, Martin, Okeechobee, and St. Lucie County
- 8** **Florida SBDC at FAU**
 (954) 762-5235 | sbdc@fau.edu
 Serving the following counties: Palm Beach and Broward County
- 9** **Florida SBDC at FIU**
 (305) 779-9230 | sbdc@fiu.edu
 Serving the following counties: Miami-Dade and Monroe County





Questions? Let's Talk.

(850) 898-3479 | Disaster@FloridaSBDC.org

FloridaSBDC.org/Locations

Disaster Assistance At Your Fingertips

A statewide partnership program nationally accredited by the Association of America's SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network's lead host institution. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA or other funding partners. Florida SBDC services are extended to the public on a nondiscriminatory basis. Language assistance services are available for individuals with limited English proficiency.