



CONGRESSMAN
COLIN ALLRED
REPRESENTING THE 32ND DISTRICT OF TEXAS

COVID-19 Small Business Resource Guide



A MESSAGE FROM REP. ALLRED:

This is a time of great uncertainty for many, including for our small businesses and their workers, who are the backbone of our economy. I am working in Congress to ensure we deliver relief for workers and businesses during this unprecedented time. I want to share these resources to aid you as you navigate the coronavirus pandemic and the future of your business. My office is always here to help you navigate federal agencies and resources. If you face any issues, please contact me at 972-972-7949.

Information around this outbreak is changing rapidly, but you can find the latest information at <https://www.dshs.texas.gov/coronavirus/>, [CDC.gov/Coronavirus](https://www.cdc.gov/coronavirus/), and allred.house.gov/coronavirus.

A handwritten signature in black ink, appearing to read "Colin Allred". The signature is fluid and cursive, with the first name "Colin" and last name "Allred" clearly distinguishable.

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U.S. SMALL BUSINESS ADMINISTRATION

ECONOMIC INJURY DISASTER LOANS

At the request of Governor Greg Abbott, the Small Business Administration (SBA) issued an Economic Injury Disaster Declaration on March 20, 2020, for all 254 Texas Counties in response to COVID-19 for the provision of Economic Injury Disaster Loans (EIDL) to businesses and private non-profits in affected communities.

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.

If you have suffered substantial economic injury and are one of the following types of businesses, you may be eligible for an SBA Economic Injury Disaster Loan (EIDL):

- Small Business
- Small agricultural cooperative
- Most private nonprofit organizations

You may apply for an EIDL loan here: <https://disasterloan.sba.gov/ela/>

Applicants can call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. For additional information or to obtain help preparing the loan application, you can also contact the Dallas/Fort Worth SBA Office at 817-684-5500 or visit their website: <https://www.sba.gov/offices/district/tx/dallas-fort-worth>

You can also reach out to my office at 972-972-7949 should you face any issues contacting the SBA.

More information regarding the Economic Injury Disaster Loan program regarding COVID-19 can be found here: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

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EMERGENCY ECONOMIC INJURY GRANTS (NO LONGER AVAILABLE)

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

Businesses who are eligible for the grant must be eligible for an EIDL and have been in operation since January 31, 2020, when the public health crisis was announced. The grants will be available until December 31, 2020, and are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.

QUESTIONS ON SBA ECONOMIC INJURY DISASTER LOANS



What are Economic Injury Disaster Loans (EIDL)?

The Small Business Administration (SBA) is providing low-interest loans to small

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businesses and non-profits in Texas who have been severely impacted by the Coronavirus (COVID-19). The 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. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that cannot be paid because of the disaster's impact. The interest rate is 3.75% for small businesses and 2.75% for non-profits. The maximum term is 30 years.

Who is eligible?

A small business is defined by the SBA's size standards and is based on the North American Industrial Classification (NAIC) System. More information can be found here: <https://www.sba.gov/document/support-table-size-standards>

How long does this process take?

While the approval timeline depends on volume and is subject to change, the typical time frame for adjudication is 2-3 weeks and disbursement can take up to five days once approved. Borrowers are assigned individual loan officers for the servicing of the loan.

Where can I find more information?

Businesses may contact the SBA Disaster Customer Service Center at 1-800-659-2955 or e-mail them at disastercustomerservice@sba.gov. Additionally, they may reach out to the SBA Dallas Fort Worth office at 817-684-5500 or visit their website: <https://www.sba.gov/offices/district/tx/dallas-fort-worth>

Are there any additional resources to help me complete my application?

You may reach out to the SBA Dallas Fort Worth office by calling 817-684-5500 or visiting their website: <https://www.sba.gov/offices/district/tx/dallas-fort-worth> or by calling my office at 972-972-7949.

You can find answers to more frequently asked questions on Economic Injury Disaster Loans and COVID-19 [here](#).

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U.S. SMALL BUSINESS ADMINISTRATION

PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) is a guaranteed loan program at the SBA for small businesses to cover payroll during the immediate crisis. If employers maintain their payroll, the loans are forgiven.

On July 4, 2020, President Trump signed into law an extension on the deadline for small businesses to apply for the Paycheck Protection Program. **The deadline to submit an application was August 8, 2020.**

On June 5, 2020, President Trump signed into law the Paycheck Protection Program Flexibility Act. The PPP Flexibility Act makes the program more accessible and usable for the vulnerable small businesses that need it the most. It improves the program by:

- Allowing loan forgiveness for expenses beyond the 8-week covered period to 24 weeks and extending the rehiring deadline.
- Increasing the current limitation on the use of loan proceeds for non-payroll expenses from 25 percent to 40 percent, reducing requirements for use of loan proceeds for payroll expenses to 60 percent. Previously, the PPP loans required that no more than 25 percent of loan proceeds can be spent on non-payroll expenses such as rent, mortgage interest, and utilities. This limitation has prevented many small businesses, such as independent restaurants, from applying to the program because their rent is significantly more than 25 percent of their monthly expenses.
- Extending the program from June 30 to December 31. By ensuring the PPP program will operate for 24 weeks, rather than only eight, it will ensure that many more truly small businesses will be able to take advantage of the program.
- Extending loan terms from two years to five years.
- Ensuring full access to payroll tax deferral for businesses that take PPP loans.

QUESTIONS ON SBA PAYCHECK PROTECTION PROGRAM

What types of businesses and entities are eligible for a PPP loan?

- Businesses and entities must have been in operation on February 15, 2020.
- Small businesses, as well as any business, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business described in

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section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.

- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
- Note: Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

How is the loan size determined?

Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always \$10 million.

- If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.
- If you were not in business between February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.
- If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and December 31, 2020 and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

What costs are eligible for payroll?

- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of State or local tax assessed on the compensation of employees

What costs are not eligible for payroll?

- Employee/owner compensation over \$100,000
- Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code

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- Compensation of employees whose principal place of residence is outside of the U.S.
- Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the [Families First Coronavirus Response Act](#)

What are allowable uses of loan proceeds?

- Payroll costs (as noted above)
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Employee salaries, commissions, or similar compensations (see exclusions above)
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
- Rent (including rent under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the covered period

What is the loan term, interest rate, and fees?

For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).

How is the forgiveness amount calculated?

Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 24 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):

- Payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus any covered utility payment.

How do I get forgiveness on my PPP loan?

You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.

- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.

What happens after the forgiveness period?

Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.

Can I get more than one PPP loan?

No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

Where should I go to get a PPP loan from?

All current SBA 7(a) lenders (see more about 7(a) [here](#)) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including nonbank lenders, to help meet the needs of small business owners.

How does the PPP loan coordinate with SBA's existing loans?

Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?

Emergency Economic Injury Grant and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the Small Business Debt Relief Program may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.

U.S. SMALL BUSINESS ADMINISTRATION

SMALL BUSINESS DEBT RELIEF PROGRAM

This program provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, the SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the signing of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

QUESTIONS ON SMALL BUSINESS DEBT RELIEF PROGRAM

Which SBA loans are eligible for debt relief under this program?

7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible.

How does debt relief under this program work with a PPP loan?

Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

How do I know if I'm eligible for a 7(a), 504, or microloan?

In general, businesses must meet size standards, be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <https://www.sba.gov/funding-programs/loans> for more details.

What is a 7(a) loan and how do I apply?

7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit this site to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.

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What is a 504 loan and how do I apply?

The 504 Loan Program provides loans of up to \$5.5 million to approved small businesses with long term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.

What is a microloan and how do I apply?

The Microloan Program provides loans up to \$50,000 to help small businesses and certain not-for profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called [Lender Match](#) to help find a microlender near you.

I am unfamiliar with SBA loans, can anyone help me apply?

Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center [here](#).

NATIONAL RESOURCES

- The U.S. Chamber of Commerce has information on resources and ways individuals and businesses can seek assistance. For more information, please visit: <https://www.uschamber.com/coronavirus> or contact 1-800-638-6582.
- The U.S. Chamber of Commerce has a small business resource guide that features technology tools, employer guidance, business strategies and more as you navigate through this challenging time. For more information, please visit: <https://www.uschamber.com/co/small-business-coronavirus>.
- The National Main Street program has resources for small business and offers community support for those impacted by COVID-19. For more information, please visit: <https://www.mainstreet.org/howwecanhelp/resourcecenter/covid19resources> or contact 312-610-5613.

STATE AND LOCAL RESOURCES

- The State of Texas has created a comprehensive resource guide for businesses impacted by COVID-19. You can find information here: <https://gov.texas.gov/business/page/coronavirus>
- The Texas Workforce Commission (TWC) has developed resources for employers: <https://twc.texas.gov/news/covid-19-resources-employers> and for jobseekers: <https://twc.texas.gov/news/covid-19-resources-job-seekers>
- The Texas Restaurant Association has established the TX Restaurant Relief Fund to aid restaurants impacted by COVID-19. You can apply on their website <https://www.txrestaurant.org/news/coronavirus-guidance-resources>, and find webinars, resource guides, tips on sanitation and more useful information to help your business.
- The City of Dallas' Department of Economic Development has information on city regulations and resources: <http://dallasecodev.org/562/COVID-19-Info-for-Small-Businesses>

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- The Texas Small Business Development Center offers one-on-one confidential consulting. They are available to assist by phone, email, or video conference: <https://sbdctexas.org/>.

GUIDANCE FOR EMPLOYERS



PREVENTATIVE MEASURES FOR EMPLOYERS

Dallas County Judge Clay Jenkins issued a Stay Safe Stay Home order for Dallas County to take effect at 11:59 PM on Monday, March 23, 2020, which requires businesses not deemed essential to stop operating. You can find more information on the order here:

<https://www.dallascounty.org/government/comcrt/jenkins/covid-19.php>

The CDC recommends that all employers consider how best to decrease the spread of acute respiratory illness and lower the impact of COVID-19 in their workplace in the event that the illness spreads. All employers should be ready to implement strategies to protect their workforce from COVID-19 while ensuring continuity of operations.

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The CDC has prepared a list of recommended strategies to help employers contain the spread of the illness within their workplace:

- Actively encourage sick employees to stay home
- Separate sick employees in the workplace and send them home
- Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees by posting informational posters and setting up multiple hand hygiene stations
- Perform routine environmental cleaning and provide disposable wipes for employees to use
- Get the latest information regarding travel safety
- Communicate your attendance expectations to your employees

The CDC also recommends that employers create a flexible plan to manage sick leave policy and attendance issues, and to implement working remotely and avoiding holding meetings in close quarters.

For more information, see:

<https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html>.

CONTEMPLATING LAYOFFS

If you have to close your business either temporarily or permanently and need to lay off employees, you may be able to submit a mass claim for unemployment benefits on their behalf. The Texas Workforce Commission's Mass Claims program streamlines the unemployment benefit claims process for employers faced with either temporary or permanent layoffs. Employers can submit basic worker information on behalf of their employees to initiate claims for unemployment benefits. You can submit a mass claim request on Employer Benefits Services 24 hours a day, seven days a week.

- For more information, see: Mass Claims for Unemployment Benefits or contact TWC's Mass Claims Coordinator at 512-463-2999.
- To submit a Mass Claim, log on to Employer Benefits Services website at <https://twc.texas.gov/businesses/employer-benefits-services>

Note: If you have already laid off staff, you cannot use Employer Benefits Services (EBS) to submit a Mass Claim.

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If your layoff date was in the past and you have 10 or more employees affected by the pandemic, email TWC's Mass Claims Coordinator at ui.massclaims@twc.state.tx.us and ask us to provide Mass Claims documents to submit manually. Make sure your email contains the following information:

- Company's name, address, phone and fax number, and TWC Tax Account Number
- Contact person's name (authorized representative with signature authority)
- Contact's email address, phone and fax number
- The layoff date and how many employees were affected

SHARED WORK PROGRAM

If your business has slowed down due to the pandemic and you need to reduce employee working hours, you may be able to avoid laying off employees by submitting a shared work plan. The Texas Workforce Commission's Shared Work program provides Texas employers with an alternative to layoffs. TWC developed this voluntary program to help Texas employers and employees withstand a slowdown in business.

Shared Work allows employers to:

- Supplement their employees' wages lost because of reduced work hours with partial unemployment benefits.
- Reduce normal weekly work hours for employees in an affected unit by at least 10 percent but not more than 40 percent; the reduction must affect at least 10 percent of the employees in that unit.

Shared Work unemployment benefits are payable to employees who qualify for and participate in an approved Shared Work Plan. Workers may choose not to participate. Employees who qualify will receive both wages and Shared Work unemployment benefits.

For more information, visit: <https://twc.texas.gov/businesses/shared-work>

BANK ASSISTANCE INFORMATION:

Several banks have set up contact lines to work with individuals impacted by COVID-19. If a bank is not listed below, reach out to them to find out what they are doing to assist those affected by COVID-19. The Federal Deposit Insurance Corporation (FDIC) and the (National Credit Union Administration (NCUA) have also put out information for bankers and consumers.

- FDIC: <https://www.fdic.gov/coronavirus/index.html>
- NCUA: <https://www.ncua.gov/>

Other banks assisting during COVID-19:

- Bank of America: <https://about.bankofamerica.com/promo/assistance/latestupdates-from-bank-of-america-coronavirus>
- Bank of Texas: <https://www.bankoftexas.com/landing-pages/covid-19/covid-19-resource-center>
- BBVA: <https://www.bbvausa.com/special/covid19.html>
- Capital One: <https://www.capitalone.com/coronavirus/>
- Chase: <https://www.chase.com/digital/resources/coronavirus>
- CitiBank: <https://online.citi.com/US/JRS/pands/detail.do?ID=covid19>
- Comerica Bank: <https://www.comerica.com/campaigns/covid-19.html>
- Discover: <https://www.discover.com/coronavirus/>
- Frost Bank: <https://www.frostbank.com/COVID-19>
- Marcus by Goldman Sachs: 844-627-2876
- Truist: <https://www.truist.com/coronavirus-information>
- US Bank: <https://www.usbank.com/splash/covid-19.html>
- Wells Fargo: <https://newsroom.wf.com/press-release/corporate-socialresponsibility/wells-fargo-donates-625-million-aid-coronavirus>