

U.S. Virgin Islands Economic Development Authority



Webinar: Small Business COVID-19 Resources

Moderator: Wayne Biggs Jr., USVIEDA Assistant CEO

May 13, 2020

10:00amAST

Agenda



Credible Sources for COVID-19 Updates in the USVI

Small Business Administration (SBA)

- Economic Injury Disaster Loan (EIDL)
- Paycheck Protection Program (PPP)

VI Small Business Development Center (SBDC)

- Technical Assistance

Credible Sources for COVID-19 Resources

- Virgin Islands Department of Health – www.doh.vi.gov/coronavirus or Text COVID19USVI to 88877 or call 340-713-6200 or 340-776-1519
- VI Territorial Emergency Management Agency: www.vitema.vi.gov
- Office of the Governor of the USVI: www.facebook.com/GovernmentHouseUSVI
- Center for Disease Control & Prevention (CDC): www.cdc.gov
- World Health Organization (WHO): www.who.int

Speakers



Wayne Huddleston
Senior Area Manager

Small Business Administration



Ted Gutierrez
State Director

VI Small Business Development
Center





U.S. Small Business
Administration

Coronavirus (COVID-19) Relief & Funding Options

Puerto Rico & U.S. Virgin Islands
District Office

CARES Act

- In response to the global COVID-19 pandemic, President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act into law once it passed both houses of Congress.
- The CARES Act provides \$2.2 trillion in emergency relief. It is the largest economic stimulus package in American history.
- The law provides unprecedented aid to small businesses and individuals across the nation as a direct response to coronavirus.
- The cornerstone of the CARES Act is the Paycheck Protection Program or PPP.
- The legislation also provides for Economic Injury Disaster Loan Advances and other benefits.
- COVID-19 assistance is also available for non-profits, faith-based organizations.

Paycheck Protection Program Loan Details

- The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.
- Loans can be up to \$10m, but 75% of all loans were less than \$150k in first round of funding.
- **This loan can be forgiven.**
 - If a small business maintains its headcount on the payroll for eight weeks following PPP disbursement - and 75% of funds were used for payroll, it is eligible to be forgiven by your bank/lender.
 - The remaining 25% of the loan can be only used for costs such as rent, mortgage interest, and utilities.
- Loan payments are deferred for six months
- Loan maturity is 2 years with a 1% interest rate
- **The Paycheck Protection Program will be available through June 30, 2020 or until funding is depleted.**
- Congress appropriated \$349b originally to this program. In 14 days, funds were expended. A second round of \$310 billion was re-appropriated and the second round began May 1, 2020.

Applying for a Paycheck Protection Program Loan

- Congress gave lenders participating in the PPP *delegated authority*.
- PPP-participating lenders make PPP loans directly to small business owners. They are guaranteed at 100% by the federal government.
- Small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization, 501(c)(19) veterans' organizations, and faith-based organizations affected by coronavirus/COVID-19 are eligible to apply through a bank or other lender.
- Many FinTech companies are also participating in this program and able to process applications.
- No collateral, no personal guaranty, and no fees.
- Once a loan is approved by the SBA, the lender receives an E-Tran number, meaning it can be funded and guaranteed.
- Funds must be disbursed within 10 days of approval by law.

Where to Apply for a PPP Loan

SBA always suggests to start with the lender you have a relationship with.

- Local and National SBA Lenders
 - Oriental Merchants Bank**
 - FirstBank Commercial Bank**
 - Popular Bank of St. Croix**
 - + many Continental U.S. based lenders
- PPP-Participating Lenders
 - PDF at www.sba.gov/ppp and sorted by state
- FinTech / Online PPP-Participating Lenders *i.e.*
 - PayPal
 - Square
 - Intuit
 - Kabbage
 - OnDeck
 - Blue Vine
 - Funding Circle

Already Applied for PPP, Now What?

- If PPP application was submitted to lender in Phase 1, but NOT approved or submitted to SBA, contact your lender immediately to ensure they are approving and processing your application
- If PPP application was submitted in Phase 2, ensure your application is being processed.
- Remind lenders the PPP Interim Final Rule states funding is on a first come, first serve basis. Lenders should not hold or delay any applications.
- Applications are approved by the lender, who sends them to SBA for verification.
- Once the lender approves an application, they have 10 calendar days to disburse funds

PPP by the Numbers

In the five weeks since launch, SBA has processed 1,153 PPP loans for more than \$123,712,383 of economic support for small businesses in the U.S. Virgin Islands

PPP Phase 1

Totals

Dollars \$62,242,612

Loan Count: 240

Remaining Funds

\$0

As of End of 4/16/2020

** Initial \$349b appropriation**

PPP Phase 2

Totals

Dollars: \$61,469,771

Loan Count: 913

Remaining Funds

Dollars: \$121Billion

As of End of 5/8/2020

** Re-Appropriation of \$310b**

Stay Alert to Avoid Scams

- Fraudulent actors and scammers have attempted to take advantage of all aspects of the COVID-19 pandemic, especially targeting small businesses and government relief programs.
- In the rush to secure funding, small businesses have reported the emergence of scams and fraudulent activity.
- **The only website with correct and official information is www.sba.gov**
 - Always look for “dot gov” in a website. Avoid mimicked or similar named sites. Misleading URLs attempt to deceive.
 - Non-dot gov sites are **not** associated with the government.
- Be Wary of Unsolicited Communications; the SBA does **not** initiate contact related to PPP loans.
- **Do not reveal personal information in response to unsolicited communication, confirm that your lender is SBA-approved through www.sba.gov/ppp and the list of lenders participating in PPP, and monitor the SBA website for accurate information.**
- If you suspect report fraudulent activity, the SBA advises reporting it to the Office of Inspector General’s Hotline at 800-767-0385.

Coronavirus Disaster Funding Options

Economic Injury Disaster Loans (EIDL)

- Low interest, long term loans up to \$2 million
- Applied for and approved by the SBA Office of Disaster Assistance.

EIDL Advance

- CARES Act provided for up to \$10,000 of advance economic relief to businesses experiencing COVID-19 related difficulties.
- EIDL Advance does not need to be repaid.

New Eligibility for Economic Injury Disaster Loan and Advance: SBA will begin accepting new Economic Injury Disaster Loan (EIDL) and EIDL Advance applications on a limited basis only to provide relief to ***U.S. agricultural businesses***.

For status on submitted EIDL applications, contact the SBA Disaster Assistance Customer Service Center at 24/7 at 1-800-659-2955 or via e-mail at DisasterCustomerService@sba.gov

If your application was submitted and have an application number beginning with a "3," you are in the queue and your patience is appreciated. Any other starting number should contact the Disaster Customer Service Center.

Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

Economic Injury Disaster Loan Details

- EIDL may be up to \$2 million.
- Loan amount is determined by SBA after reviewing business' payroll and expenses
- Loans under \$25k, no collateral. Over \$25k, must pledge available collateral.
- Interest rate for businesses is 3.75% and nonprofits is 2.75% for up to 30 years.
- Funds are dispersed in increments, so borrowers only take what they need.
- Loan payments are deferred for first 12 months.
- EIDL Advances up to \$10k, \$1k per employee up to 9 and 10+ employees receive \$10k.

Applying for an Economic Injury Disaster Loan

- Small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization, 501(c)(19) veterans' organizations, and faith-based organizations
- EIDL are direct loans from the SBA funded by the U.S. Treasury, they are not through a bank
- Advance is part of the online application, does not need to be paid back, select on p.4
- The application is completed 100% online at www.sba.gov/disaster. Most clients complete the application in about 15 minutes.
- No documents are submitted with application


EIDL Application Portal

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Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.



Already Applied for EIDL, Now What?

- Don't panic if you haven't heard anything, if notice was received that application was submitted successfully and a loan number was received that begins with a "3," then the loan is in the portal and being processed
- The EIDL Advance will literally show up in the borrower's bank account (\$1,000 per employee, up to a max of \$10,000).
- No additional communication between the SBA Disaster Assistance Office and the borrower until the loan offer is made via email
- For a status update, contact the SBA disaster customer service center at 1-800-659-2955 (TTY/TDD: 1-800-877-8339) or disastercustomerservice@sba.gov
- **SBA Field Offices in your state or community do not have access to these applications or the Disaster system.** If you call them, they will direct you to the Disaster Assistance Customer Service Center, staffed 24/7 with over 5,000 operators.

SBA is Helping Puerto Rico & U.S. Virgin Islands Small Businesses

“The opportunity to get an SBA PPP loan quickly, in this time of uncertainty, gave us economic stability to cover the costs of the payroll without affecting the income of our team members’ income.” Iris Vincent, Prime Air Corp.



“I was very impressed at how quickly we received the PPP and how helpful it has been to the practice to make sure that we could keep all of our staff on board and keep providing services to the community.” Dr. Lindsay Wagner, Island Therapy Solutions

Local Assistance

- SBA Puerto Rico & U.S. Virgin Islands District Office
<https://www.sba.gov/pr>
Puerto Rico – (787) 766-5002 / 5003
U.S. Virgin Islands – (340) 473-7945 or wayne.huddleston@sba.gov
- SBA Local Resource Partners
FREE one-on-one counseling, mentoring, assistance with PPP or EIDL applications and more. With social distancing common-place right now, virtual appointments are being booked in addition to telephone calls.
 - Virgin Islands Small Business Development Center (SBDC)
<http://www.sbd cvi.org/>
 - SCORE <https://usvi.score.org/>
 - Veterans Business Outreach Center - Arsenal Business & Technology Partnership www.vetbizny.com

VI Small Business Development Center



Ted Gutierrez

State Director

info@visbdc.org

VI Small Business Development Center

How is the VI SBDC helping small businesses during this critical time?

- SBDC staff are working with clients via email, telephone, and Zoom meetings.
- SBDC staff is well-versed on the process for the Economic Injury Disaster Loan (EIDL) application process.
- SBDC continues to post critical updates on Social Media platforms & shares the updates with other VI Territory partners.
- SBDC has emailed critical information to its database.
- SBDC has shared webinars from partner SBDCs to help assist Spanish speaking clients.
- SBDC staff will counsel and help interpret EIDL responses.
- SBDC State Director is in constant contact with SBA and other Federal partners to relay important information.
- SBDC State Director is coordinating local efforts with Territory partners such as SBA, USVIEDA, & Government officials.
- SBDC has daily conference calls with staff to discuss any issues, best practices, or miscellaneous items that arise.
- SBDC staff will continue to assist any way possible.

Contact information for the VI SBDC.

Phone: 340-693-1694

Web: www.visbdc.org



Together We will Thrive.

We Support Small Business.

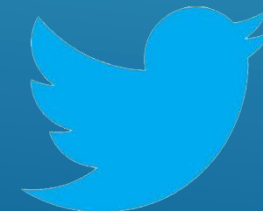
Thank you to SBA and VI SBDC for participating!

The recording & PPT will be uploaded at: www.usvieda.org/webinars

Apply at www.sba.gov/disaster.



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