

Resources Available for Small Businesses



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(Most programs are first come, first served. Please apply quickly.)

State Programs

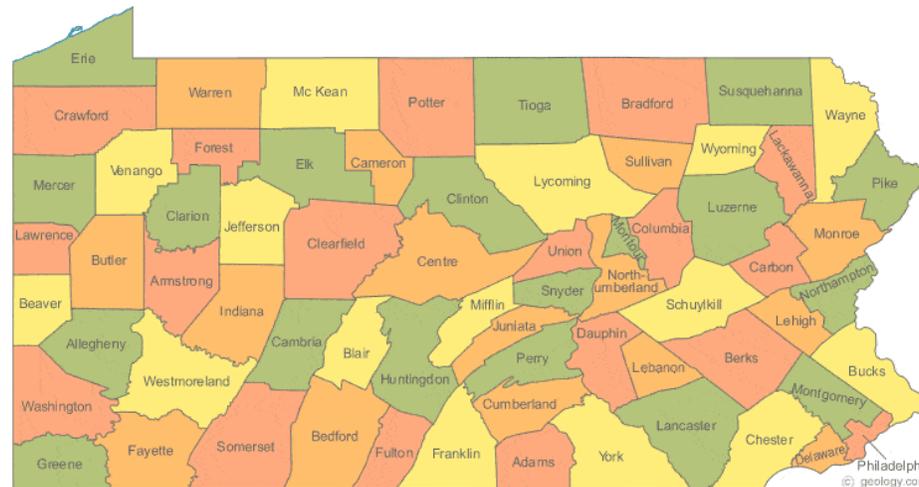
- Working capital loans from DCED
- Relief From Unemployment Charges
- COVID-19 Working Capital Access Program (CWCA) – OUT OF FUNDING

Federal Programs

- Economic Injury Disaster Relief loans from the SBA
- Paycheck Protection Program
- Emergency Economic Injury Grant
- Tax credits and deferrals
- Federal Reserve Main Street program

State Programs

- Working capital loans from DCED - Resources and information will be posted to <http://dced.pa.gov/resources>
- Relief From Unemployment Charges
 - Unemployment insurance contributory businesses who are temporarily closed due to COVID-19 will be granted Relief From Charges
 - Your unemployment tax rate will not be increased because of COVID-19-related claims



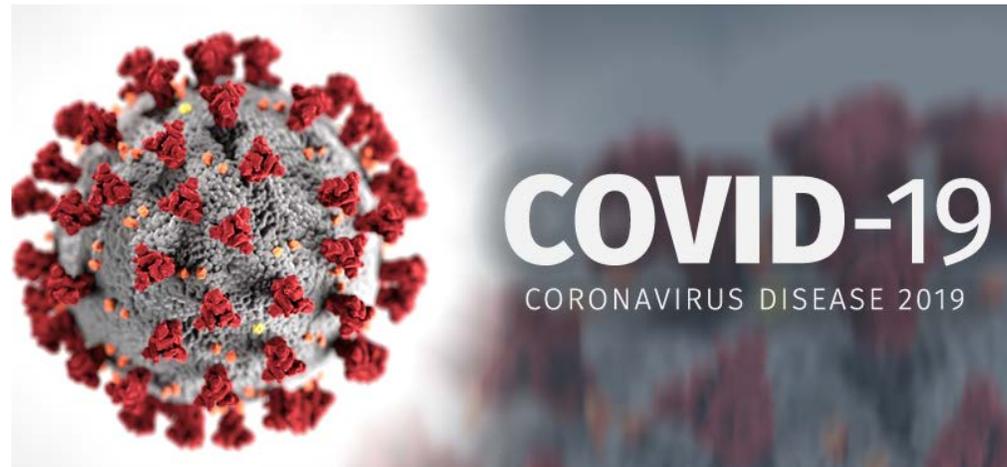
COVID-19 Working Capital Access Program (CWCA) – NO LONGER AVAILABLE

- \$61 million available initially
- working capital loans of up to \$100,000 directly to small businesses and hopefully nonprofits
- The interest rate is currently 3% but can go as low as 0%
- These loans are only available from Certified Economic Development Organizations (CEDO). The two CEDOs for Centre County are:
 - MVEDP - <https://mvedp.org/index.php/pida-covid-19-working-capital-access-program/>
 - SEDA-COG - <https://seda-cog.org/covid-19/> Webinars are available



Federal Programs

- Economic Injury Disaster Relief loans
 - Thirty year repayment period
 - Can not be used for the same expenses as the Paycheck Protection Program (PPP)
 - Interest rates are 2.75% to 3.75%
 - These loans may also be forgiven
 - <https://disasterloan.sba.gov/ela/Information/Index>



Emergency Economic Injury Grant

- 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)
- You first apply for an EIDL and then request the advance
- The advance does not need to be repaid under any circumstance



Paycheck Protection Program (PPP)

- Paycheck Protection Program (PPP), a \$349 billion SBA-administered loan and loan forgiveness program
- The loan amount is calculated based on a payroll formula that essentially equals 2.5x the average total monthly payroll cost
- During the 8-week period beginning on the date a Paycheck Protection Loan is funded (the Forgiveness Period), a borrower will be eligible for forgiveness and cancellation of indebtedness for up to the full principal amount of such loan. The grant amount is based on for (1) payroll, (2) mortgage interest, (3) rent and (4) utilities
- All payments (principal, interest and fees) are deferred for at least 6 months

Tax credits and deferrals

- Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship - a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees
- Delay of Payment of Employer Payroll Taxes - defer paying the employer portion of certain payroll taxes through the end of 2020
- All 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022
- The credit and deferral are NOT available to employers receiving assistance through the Paycheck Protection Program

Federal Reserve Main Street program

- Will funnel short-term financing thru local banks and credit unions so that firms can make payroll and stay afloat in the coming months
- Direct funding of \$454 billion will leverage as much as four trillion dollars from local banks and credit unions
- Rules and funding should be available by mid-April.



Local Efforts

- Broad variety of new small businesses grants and microloans. Please watch out for scammers.
- SEDA-COG, our regional economic development organization, is suspending principal and interest payments on its SBA and PIDA loans for 6 months for companies directly affected by the “Stay at Home” order
- Other SBA lenders are also suspending payments for six months.
- The SBDC office in State College can provide assistance with both the Disaster Relief loans and COVID-19 Working Capital Access Program (CWCA) loans. They can be reached at (814) 863-4293 or <https://sbdc.psu.edu/> or sbdc@psu.edu

We are all in this together. We need to cooperate to save our small businesses.

- Businesses should ask for help from your:
 - Bankers
 - Landlord
 - Commercial mortgage holder
 - Suppliers
 - Customers
 - And more

