



Congressman David Trone Webinar on Business Resources

Wednesday, April 1, 2020



Speakers

David Trone, U.S. Representative (MD-06)

Small Business Administration

- Antonio Doss, District Director, Small Business Administration Washington Metropolitan Area
- Stephen Umberger, District Director, Small Business Administration Baltimore District Office

Maryland Department of Commerce

- Kelly Schulz, Secretary, MD Department of Commerce

Maryland Department of Labor

- Andrew Fulginiti, Policy Officer, Office of the Secretary MD Department of Labor
- Michael Harrison, Policy Director, Office of the Secretary MD Department of Labor



Coping with COVID-19

Financial Tools & Resources to Help Small Business

U.S. Small Business Administration (SBA)

Baltimore District Office (BDO)

Washington Metropolitan Area District Office (WMADO)

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SBA's Disaster Declaration Makes Loans Available Due to the Coronavirus (COVID-19)



Administrator Jovita Carranza

The U.S. Small Business Administration (SBA) is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).

The SBA has issued, under its own authority and as provided by the Coronavirus Preparedness and Response Supplement Appropriations Act, **Economic Injury Disaster Loan** declarations for the **District of Columbia, Maryland, and Virginia.**

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- **Using Loan Payment Deferrals to Augment Cash Flow**
- **Economic Injury Disaster Loans (EIDLs)**
 - EIDL Application Process
 - EIDL Application Support
- **Coronavirus Aid, Relief, and Economic Security Act (CARES Act) – Paycheck Protection Program**
- **One-on-One Mentoring / Confidential Coaching**

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Using Loan Payment Deferrals to Augment Cash Flow

Federal and state banking regulatory agencies have issued a joint letter to financial institutions, strongly recommending lenders work with borrowers to offer loan modifications in response to the COVID-19 pandemic.

Such deferments neither impact the lender's standing with bank regulators, nor reflect negatively on the borrower's credit score.

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Using Loan Payment Deferrals to Augment Cash Flow

Small businesses with existing loans may be able to reduce their monthly outlay of cash by getting their loan payment(s) deferred.

Existing SBA-backed Business Loans

- 7(a), 504 or Microloans: Loan payments can be deferred up to six months. Business owners should talk with their lenders and ask for a loan modification.
- Existing Disaster Assistance Loans: The SBA is automatically deferring payments on all outstanding (i.e., pre-COVID-19) SBA disaster loans through December 31, 2020.

Non-SBA Business Loans

- Borrowers can discuss with their banker/lender the option to defer loan payments. The length of any deferment would be determined by the bank or lending institution.

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Economic Injury Disaster Loans (EIDLs)

These Economic Injury Disaster Loans (EIDLs) are specifically available to the following organizations that have been directly affected by the disaster:

- Small businesses within the *SBA Size Standards* (visit <https://www.sba.gov/size>)
- Small agricultural cooperatives & aquaculture businesses
- Private non-profit organizations (regardless of size)

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Economic Injury Disaster Loans (EIDLs)

What are some types of organizations that are **INELIGIBLE** to receive an Economic Injury Disaster Loan?

- **Religious organizations**
- **Charitable organizations**
- **Gambling concerns** (i.e., businesses that derive more than 1/3 of their annual gross revenue from legal gambling activities)

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Economic Injury Disaster Loans (EIDLs)

How much can I borrow?

- Eligible entities may qualify for loan amounts of **up to \$2 million**.
- Interest rates on this disaster loan are **3.75 %** for small businesses and **2.75 %** for non-profit organizations.
- Terms of **30 years** are available with **the first payment due 12 months after funds are issued**. *Note: interest continues to accrue on any outstanding balance during the initial, one-year deferment period.*

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Economic Injury Disaster Loans (EIDLs)

How can I use EIDL funds?

- These are **working capital loans** that may be used to **pay fixed debts, payroll, accounts payable, and other bills** that could have been paid had the disaster not occurred.
- Economic Injury Disaster Loans help entities stay afloat during the declared disaster, so they are ready to “restart” their operations once circumstances allow.
- EIDLs are **not meant for business expansion.**

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Economic Injury Disaster Loans (EIDLs)

General Loan Approval Criteria

Credit History: Applicants must have a credit history acceptable to the SBA.

Repayment Ability: The SBA must determine that the applicant business has the ability to repay the Economic Injury Disaster Loan.

Eligibility: The applicant business must be physically located in a disaster-designated area and have suffered working capital losses due to the declared disaster.



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Economic Injury Disaster Loans (EIDLs)

What are the collateral requirements?

- Economic Injury Disaster Loans of **over \$25,000 require collateral.**
- The SBA takes real estate as collateral when it is available.
- The **SBA will not decline a loan for lack of collateral** but requires borrowers to pledge what is available.
- Given the severity of the COVID-19 pandemic and its economic impacts, the **SBA will make reasonable efforts to work with applicants toward a favorable decision.**



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EIDL Application Process

- Unlike SBA 7(a) and 504 program loans, these Loans are not made through banks or financial institutions
- Apply directly to SBA at [sba.gov](https://www.sba.gov)
- Complete the application online.

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EIDL Application Support

For help with the EIDL application process

- Call **SBA's Disaster Customer Service Center** at **800-659-2955** (7am to 9pm ET every day)
- Email disastercustomerservice@sba.gov
- Deaf and hard-of-hearing customers may contact 800-877-8339 (TTY)
- **Reach out to SBA's network of Resource Partners** for personalized guidance and business coaching

CARES Act: Payroll Protection Program

- Loan Amount: up to \$10 million
- Eligibility:
 - Businesses including sole proprietorships, self-employed individuals and independent contractors, non-profits, veterans organizations, Tribal concerns
 - 500 or fewer employees or within SBA size standards
- Loan Forgiveness: Tied to use of funds for payroll costs
- Interest Rate: 0.5%
- Maturity: 2 Years
- Collateral: None Required, No Personal Guarantees
- Loan Fees: None

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One-on-One Mentoring / Confidential Coaching

- **SBA-funded Resource Partners offer you FREE business counseling sessions via phone and video**
- **Business coaches can help you strategize business solutions**

SCORE

202-619-1000 (DC Metro)
(240) 215-4757 (Western MD)
<https://score.org/>



Small Business Development Centers (SBDCs)

202-889-5090 (DC); 301-403-8300 (MD);
<https://www.dcsbdc.org>
<https://www.marylandsbdc.org/locations/corridor-region>



Women's Business Centers (WBCs)

202-393-8307 (DC); 301-315-8091 (MD)
<http://www.dcwbc.org>
<http://www.marylandwbc.org>



Veterans Business Outreach Center (VBOC)

703-768-1440 (DC/MD)



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Follow us on Twitter for real-time updates & program announcements: @SBA_DCMetro
& @SBA_Baltimore

Sign up to receive email announcements at <https://www.sba.gov/updates>; be sure to include your preferred email address & local zip code.

For detailed information on all SBA programs and services related to COVID-19, visit

<https://www.sba.gov/coronavirus> or

<https://www.sba.gov/page/coronavirus-covid-19-orientacion-y-recursos-de-prestamos-para-pequenas-empresas> (en español).

For information on all COVID-19 federal programs, visit <https://www.usa.gov/coronavirus>
or <https://www.usa.gov/espanol/coronavirus> (en español).

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Thank You

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Speakers

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Maryland Department of Commerce

General Information and FAQ:

businessexpress.maryland.gov/coronavirus

Dept. of Commerce Emergency Relief Funds:

commerce.maryland.gov/covid19relief

SBA Disaster Assistance Funding: sba.gov/disaster

Questions for MD Commerce?

Email Secretary.Commerce@maryland.gov

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Maryland Department of Labor

COVID-19 Unemployment Insurance Update

New Procedures

Call Centers

- Further extended hours from 7 a.m. to 6 p.m., Monday through Friday. (Effective 4/1)
- Created a new gating procedure to streamline calls...
- If your last name starts with A - F, file your claim on Monday.
- If your last name starts with G - N, file your claim on Tuesday.
- If your last name starts with O - Z, file your claim on Wednesday.
- Claim filing is open to all last names by phone on Thursday and Friday and online Thursday through Sunday.

Online application

- Added servers to allow more users to simultaneously file online.
- Encouraging people to file during off-hours, like early in the morning and late in the afternoon, since it is available 24/7.

New Procedures

Shared Email Accounts

- Urging Marylanders to email our department to have their questions answered and reduce call center traffic.
- Claimants, please email ui.inquiry@maryland.gov
- Employers, please email dluiemployerassistance-labor@maryland.gov
- Bulk Claims support, please email UI.BulkClaim@maryland.gov

FAQ's

- Created numerous detailed FAQ's to prevent people from having to call our department to have their questions answered.

CARES Act - UI Expansion

- The federal government recently passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which includes an expansion of unemployment insurance benefits for Marylanders.

Pandemic Unemployment Assistance (PUA)

- Individuals who are not usually eligible for regular UI and who cannot work due to COVID-19 are eligible for a maximum of 39 weeks of benefits, which includes \$600 Federal Pandemic Unemployment Compensation (FPUC).
- Self employed, Independent Contractors, Gig workers, limited work history, etc.

Federal Pandemic Unemployment Compensation (FPUC)

- \$600 per week on top of current regular UI benefits.
- This \$600 is a flat amount to those on UI, including those who receive a partial UI benefit.

Pandemic Emergency Unemployment Compensation (PEUC)

- 13 additional weeks of UI benefits, plus \$600 FPUC.

CARES Act - UI Expansion

- Like many other states, we are eagerly awaiting Unemployment Insurance Program Letters (UIPLs) from USDOL to provide the necessary eligibility guidance for these federal programs
- Once guidance has been received, we will work to create new IT systems, modify our current technical systems, train staff, and conduct tests before administering the new programs created by the federal CARES Act.
- People will NOT lose benefits due to processing delays, benefits are backdated
- Please sign up for email updates on our webpage to receive notice when the new claims process is available.

UI Resources

- Main Web Page - labor.maryland.gov/employment/unemployment.shtml
- To contact a Claim Center, call 410-949-0022 (for employees) or, 410-767-2412 (for employers)
- NetClaims Online Application: <https://secure-2.dllr.state.md.us/NetClaims/Welcome.aspx>
- Bulk Claims for Employers, call 410-853-1700
- FAQ Pages:
 - COVID-19 Frequently Asked Questions:
<http://labor.maryland.gov/employment/uicovidfaqs.shtml>
 - Bulk Claims Frequently Asked Questions:
<http://labor.maryland.gov/employment/uibulkclaimfaqs.shtml>
 - CARES Act Frequently Asked Questions:
<http://labor.maryland.gov/employment/uicarefaqs.pdf>

Additional Labor Resources

- Division of Occupational and Professional Licensing
 - If you have a licensing question, please e-mail dlopl-labor@maryland.gov.
- Division of Workforce Development and Adult Learning
 - If you have a general workforce inquiry, please e-mail dldwdworkforcedevelopment-labor@maryland.gov.
- Division of Financial Regulation
 - Customers are encouraged to e-mail DLFRFinReg-LABOR@maryland.gov
- Division of Labor and Industry
 - Please e-mail dldlilaborindustry-labor@maryland.gov
- Maryland Business Express
 - To access federal and state resources available to help businesses, visit businessexpress.maryland.gov/coronavirus.

Contacts

- Michael Harrison - Policy Director
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- Andrew Fulginiti - Policy Officer
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Questions?

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