

COVID EIDL Policy Changes

The below policy changes will be publicly shared September 7, 2021 and effective September 8, 2021:

	COVID EIDL Policy Change	Impact
1	Increase cap from \$500K to \$2M "Exclusivity Period:" No approval of loans greater than \$500,000 until Oct. 8, 2021	Higher loan amounts available
2	Allow for use of funds to be applied to payment and prepayment of commercial debt and regularly-scheduled payments of federal debt	Increase use of funds flexibility
3	Allow for 24 months of deferment from loan origination for all loans (existing loans with less than 24-month deferment will be adjusted)	SBA automatically defers for 24 months from loan origination
4	Affiliation requirements simplified: An affiliate is a business that you control or in which you have 50% or more ownership	Simplifies affiliation rules for all industries
5	Created additional way to meet program size standards for businesses assigned a NAICS code beginning with 61, 71, 72, 213, 3121, 315, 448, 451, 481, 485, 487, 511, 512, 515, 532, or 812, AND that have no more than 500 employees per physical location AND that have no more than 20 locations AND that meet all other COVID EIDL eligibility requirements	Includes industries uniquely impacted by COVID-19 and continue to experience significant economic hardship
6	Added \$10 million limit on maximum aggregate COVID EIDL loans to a single corporate group. Entities are part of a single corporate group if they are majority owned, directly or indirectly, by a common parent	Introduces maximum cap on corporate groups

	COVII	D EIDL Changes - Te	rms Green* = changes
Loan Amount	\$1,000 to \$25,000	>\$25,000 to \$500,000	>\$500,000 to \$2 million*
Interest		3.75% (business) 2.75% (non-profit)	
Repayment Period		30 years	
Deferment	Up to 24 months (for all loa	ns*) – SBA will adjust deferment on lo	oans that did not receive 24 months
Requirements	Minimum Credit Score: 570 Collateral: None Personal Guarantee: None	Minimum Credit Score: 570 Collateral: >\$25,000 UCC-1 Personal Guarantee: >\$200,000 20% or more owner unless partnership, then all	Minimum Credit Score: 625* Collateral: UCC-1 and business rea estate* Personal Guarantee: >\$200,000
Use	Normal operating expenses Payroll Rent Inventory, raw materials, var Commercial Debt (payment Federal Debt (includes Guara Working capital		:heduled payments*)

Application Details

The below timelines assume the applicant responds quickly to the SBA for any information requests and in completing each step of the process.

Scenario	Timeline
COVID EIDL Application for any funds <\$500K	3 Weeks
COVID EIDL Application for any funds >\$500K	6 Weeks
COVID EIDL Application for <\$500K and then an increase for >\$500K Funds	3 Weeks + 6 Weeks = 9 Weeks

Required Documents

For loan modification applications, it is possible they will not need to submit standard documents again

Standard document requirements

Additional Documents for >\$500K

• Federal Income Taxes

ODA Form P-022 – Standard Resolution

IRS Form 4506-T

- SBA Form 2202 Schedule of Liabilities
- List of Real Estate Owned
- SBA Form 413 Personal Financial Stat



Formula for EIDL

- If business was in operation before January 1, 2019
 - 2019 gross receipts minus 2019 cost of goods sold x 2 = (up to \$500,000).
 - If rental loss: actual 2019 rent received actual 2020 rent received x 2
 - If business started operating after January 1, 2019 the SBA will calculate
 - Not required to take full amount
 - · Based also on credit



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Other Notes

- 20% or greater owners must be listed on application
- If an owner is 20% or more and is not a US citizen, non-citizen national or qualified alien with valid SSN, then the applicant (the business) is not eligible.
- Must have been in operation on or before January 31, 2020
- Understand affiliate rules
- Businesses purchased after January 31, 2020 are ineligible (unless family member or less than 50% change)
- Deadline is December 31, 2021



Funds from EIDL (loan) cannot be used for

- Expand your business
- Make prepayments on debt that is owned by federal agency (including SBA)
- Start a new business
- An applicant for a COVID-19 EIDL must show a "substantial economic injury" occurred as a result of the pandemic, unlike the prospective standard of the first round of PPP, which only required "current economic uncertainty" to make a loan necessary. The EIDL program defines "substantial economic injury" as a harm that results in the inability of a small business to 1) to meet its obligations as they mature, 2) pay its ordinary and necessary operating expenses and 3) market, produce or provide a product or service ordinarily marketed, produced or provided by the business concern. A small business with a substantial economic injury then needs to show the relationship of the harm to COVID-19.



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Targeted EIDL Advance

The Targeted EIDL Advance provides funds of up to \$10,000 to applicants who:

- Are in a low-income community. To help applicants determine if the business address is in a low-income community, see mapping tool on next slide.
- Can demonstrate more than 30% reduction in revenue during an eight-week period beginning on March 2, 2020, or later. If an applicant meets the low-income community criteria, they will be asked to provide gross monthly revenue to confirm the 30% reduction.
- Must register for EIDL, but not required to take it to qualify for Advance.
- Available for Sole Props, Independent contractors, for profit, nonprofit. Not for Agricultural.



Supplemental Targeted Advance

The Targeted EIDL Advance provides funds of up to \$5,000 (total of \$15,000 including the Targeted Advance) to applicants who:

- Are in a low-income community. To help applicants determine if the business address is in a low-income community, see mapping tool on next slide
- Can demonstrate more than 50% reduction in revenue during an eight-week period beginning on March 2, 2020, or later. If an applicant meets the low-income community criteria, they will be asked to provide gross monthly revenue to confirm the 50% reduction.
- Has 10 or fewer employees
- Available for Sole Props, Independent contractors, for profit, nonprofit. Not for Agricultural.

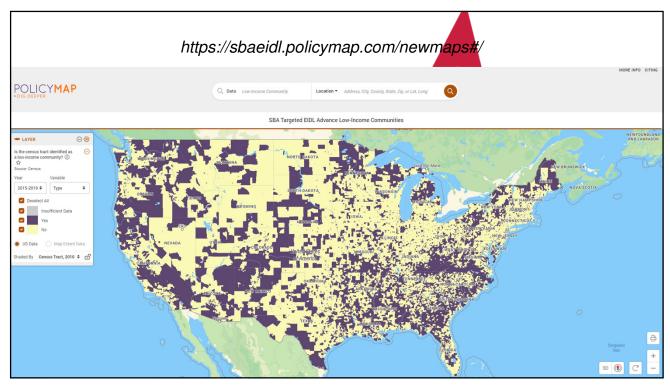


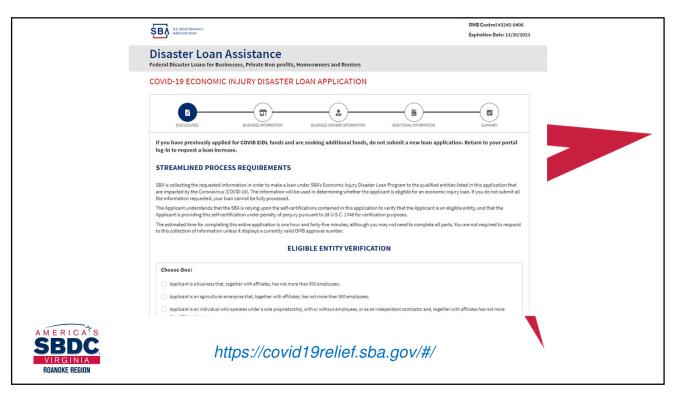
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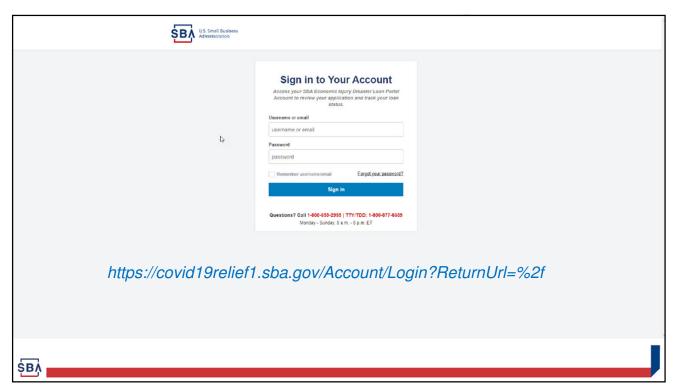
Targeted Advance & Supplemental Targeted Advance

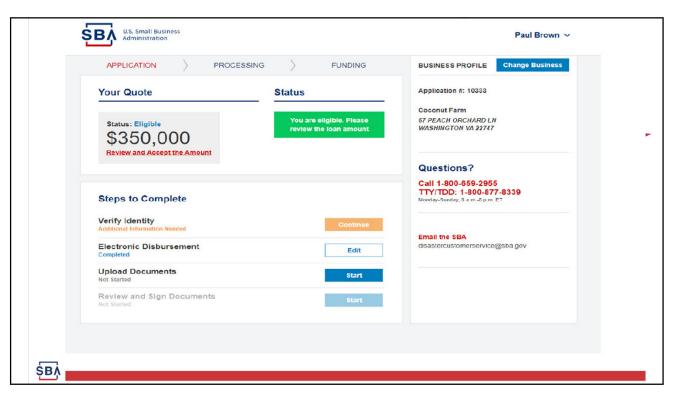
- Must apply for the EIDL (disaster loan)
- Must then wait for invitation email to complete application
- Complete application by following the link and instructions in the email
- If you received email, but lost it, call 800-659-2955
- Must have filed a 2019 tax return.
- Be sure you watch your email

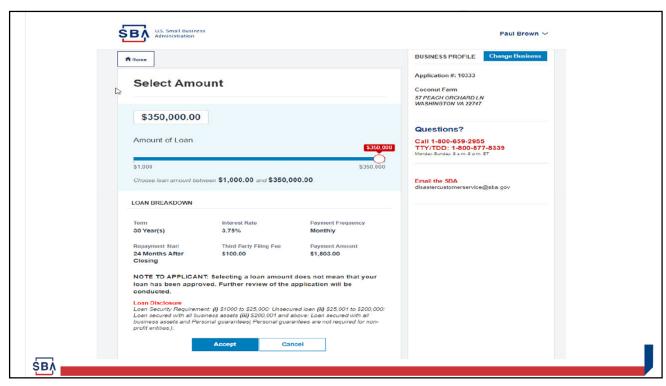




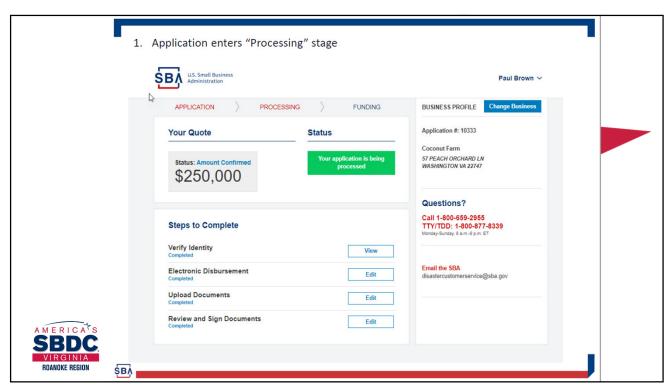








APPLICATION PRO	CESSING > FUNDING	BUSINESS PROFILE Change Business	
Your Quote	Status	Application #: 10333	
	_	Coconut Farm	
\$250,000	Amount confirmed	57 PEACH ORCHARD LN WASHINGTON VA 22747	
Change Amount		Questions?	
		Call 1-800-659-2955	
Steps to Complete		TTY/TDD: 1-800-877-8339 Monday-Sunday: 8 a.m8 p.m. ET	
Verify Identity Additional Information Needed	Continue	Email the SBA	
Electronic Disbursement Completed	Edit	disastercustomerservice@sba.gov	
Upload Documents Not Started	Start		
Review and Sign Documents	Start		



APPLICATION PROCES	SING FUNDING	BUSINESS PROFILE Change Busines
Your Quote	Status	Application #: 10333
\$200,000	Your application has been approved	Coconut Farm 57 PEACH ORCHARD LN WASHINGTON VA 22747
Steps to Complete		Questions? Call 1-800-659-2955 TTY/TDD: 1-800-877-8339 Monday-Sunday, 8 a.m. 8 p.m. ET
Verify Identity Completed	View	monay-ounday, 6 a.m6 p.m. E1
Electronic Disbursement Completed	Edit	Email the SBA disastercustomerservice@sba.gov
Upload Documents Completed	Edit	
Review and Sign Documents	Continue	

