

FINDING FUNDING NOW

Current and future options for small business capital during the pandemic

Current as of 04.01.20

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ACCION

Our Mission

Accion helps neighborhood entrepreneurs grow. We provide the capital, coaching, and connections small business owners need to create wealth and jobs throughout Illinois and Indiana.

Agenda

What options for emergency capital are available **today**?

- Federal
- State
- City
- Accion

What options for emergency capital will be available **soon**?

- Federal
- State
- City
- Accion

What options for emergency capital are available today?

Federal

- SBA Economic Injury Disaster Loans

State of Illinois

- Hospitality Emergency Grant Program

City of Chicago

- Chicago Small Business Resiliency Loan Fund

Accion

- Immediate 90% payment reductions for all borrowers
- Immediate 100% payment reductions for SBA borrowers

SBA Economic Injury Disaster Loans

Basics

- Eligibility: <500 employees with acceptable credit
- Maximum: \$2M
- Rate: 3.75%
- Term: Up to 30 years
- Application: DisasterLoan.sba.gov

Details

- Requires collateral if over \$25K
- Must submit SBA Form 5, IRS Form 4506T, recent tax return, SBA Form 2202, SBA Form 413, SBA Form 1368, 2020 P&L
- Apply directly to SBA, processing times very uncertain
- **Applicants will receive a \$10K grant within 3 days, regardless of whether the loan closes**

Illinois Hospitality Emergency Grant Program

Basics

- Eligibility: Restaurants and bars <\$1M, hotels <\$8M
- Maximum: \$25K for F+B, \$50K for hotels
- Rate: Free
- Term: N/A
- Application: us.accion.org/ILgrant

Details

- \$14M in grants overall: \$8M for hotels / \$6M for F+B
- \$10K for F+B <\$500K / \$25K for F+B btw \$500K and \$1M
- \$50K for hotels under \$8M annual revenues
- Must upload license and tax return
- For working capital, training, and technology
- **Apply by 4/1**, lottery 4/4, disbursements 4/6 (w/ACH and W9)
- Lottery distribution: 1/3 Cook, 1/3 collar, 1/3 downstate

Chicago Small Business Resiliency Loan Fund

Basics

- Eligibility: **Within Chicago**, <\$3M revenues, <50 employees, 500 credit
- Maximum: Oct-Dec 2019 average monthly revenues, up to \$50K
- Rate: 1% for 18 months, 5.75% thereafter
- Term: No payment for 6 months, fully amortized over 5 years
- Application: chicagoresiliencyfund.com

Details

- Used for working capital, of which 50% must be for compensation costs
- Requires personal guarantee from borrower
- Must have business license for at least one year before applying
- Must provide zip codes of employees
- Funds will be distributed equitably across geography and industry
- For-profits and nonprofits

What options for emergency capital will be available soon?

Federal

- Paycheck Protection Program, from the Keeping Workers Paid and Employed Act which is Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

State of Illinois

- Illinois Small Business Emergency Loan Fund

City of Chicago

- Chicago Small Business Resiliency Grants

Accion

- Expedited Line of Credit

Paycheck Protection Program, from the Keeping Workers Paid and Employed Act which is Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Basics

- Eligibility: <500 employees per location, other TBD from SBA
- Maximum: 2.5x average monthly payroll for previous year, up to \$10M
- Rate: 0.5%
- Term: no payments for 6-12 months, full term 2 years
- Application: treasury.gov/cares (thru 7a and CA lenders including Accion?)

Details

- **Loan will be forgiven** for compensation expenses (up to \$100K per employee or business owner), rent or mortgage interest, and utility costs incurred for 8 weeks after origination but before 6/30
- Loan forgiveness is not taxable
- No “credit elsewhere” test, no personal guarantee, no collateral, no fees
- Includes nonprofits and sole proprietors
- Available funding will likely go quickly

Illinois Small Business Emergency Loan Fund

Basics

- Eligibility: Prioritize downstate, <\$3M revenues, <50 employees, 500 credit
- Maximum: Oct-Dec 2019 average monthly revenues, up to \$50K
- Rate: 3%
- Term: No payment for 6 months, fully amortized over 5 years
- Application: [Illinois.gov/dceo](https://illinois.gov/dceo)

Details

- Used for working capital, of which 50% must be for compensation costs
- Requires personal guarantee from borrower
- Must have business license for at least one year before applying
- Must provide zip codes of employees
- For-profits only

Chicago Small Business Resiliency Grants

Basics

- Eligibility: TBD
- Maximum: TBD
- Rate: TBD
- Term: TBD
- Application: TBD

Details

- TBD

Accion Expedited Line of Credit

Basics

- Eligibility: IL or IN business owners with clean credit 1/19 to 3/20
- Maximum: Up to \$25K, based on 2020 revenues
- Rate: 9%
- Term: Interest-only year 1, then shift to 2 year term loan
- Application: us.accion.org/chicago

Details

- Max amount will be based on average revenues from January and February business bank statements
- Must have credit report showing on time payments for all lines since 1/19
- Quick application, minimal documentation
- Funding in less than 10 days

Comparing the Emergency Loan Funds

	Chicago as of March 31 Chicago Small Business Resiliency Loan Fund	Illinois as of April 1 Illinois Small Business Emergency Loan Fund	Federal as of April 3 SBA Paycheck Protection Program
Basics			
Eligibility	Inside Chicago, <\$3M revenues, <50 employees, >500 credit	Priority to outside Chicago, <\$3M revenues, <50 employees, >500 credit	National, <500 employees, no minimum credit score
Maximum	Oct-Dec 2019 average monthly revenues, up to \$50K	Oct-Dec 2019 average monthly revenues, up to \$50K	Two months of average monthly payroll costs from 2019 plus an additional 25%, up to \$10M
Rate	1% for 18 months, 5.75% thereafter	3%	0.5%
Term	No payment for 6 months, fully amortized over 5 years	No payment for 6 months, fully amortized over 5 years	No payment for 6 months, fully amortized over 2 years
Details	<ul style="list-style-type: none"> • Up to \$75M in loans (with \$25M for reserves) • Used for working capital, of which 50% must be for compensation costs • Requires personal guarantee from borrower • Must have business license for at least one year before applying • Must provide zip codes of employees • For-profits and nonprofits • Funds will be distributed equitably across geography and industry 	<ul style="list-style-type: none"> • Up to \$40M in loans (with \$20M for reserves) • Used for working capital, of which 50% must be for compensation costs • Requires personal guarantee from borrower • Must have business license for at least one year before applying • Must provide zip codes of employees • For-profits only 	<ul style="list-style-type: none"> • Up to \$349B in loans (with unlimited reserves) • Used for compensation costs, rent/mortgage interest, utilities • Does not require personal guarantee from borrower • Must have been in business before 02/15/20 • No documentation on employees • For-profits and 501c3 nonprofits • Forgiveness for up to eight weeks of costs after the loan is made • Funds are limited and will go quickly
Application	The live application is here and is accessible at chicagoresiliencyfund.com	The current landing page is here and is accessible at Illinois.gov/dceo	The 4-page PDF application is here and is accessible at treasury.gov/cares

Learn More

For frequent updates from Accion, visit:

- Facebook: @AccionServingILIN
- LinkedIn: @AccionChicago
- Web: us.accion.org/news/emergency-capital/