

Financial Support for Struggling DD Providers

Small Business Administration (Forgivable Loans)

Paycheck Protection Act Loans

The following information about the recently-passed federal coronavirus business relief efforts was compiled on April 3, 2020 from various sources. OACB does not claim original authorship of this information. For more information about Small Business Administration (SBA) loans under these provisions, visit: bit.ly/2X6CDtP

1. How does a business (such as a DD provider agency) apply for these funds?

A business can apply for coronavirus relief loans from the Small Business Administration (SBA) by working with their current financial institution.

2. What kinds of businesses qualify for these funds?

Businesses with fewer than 500 employees or businesses that are considered small for their industry, sole-proprietorships, independent contractors, and self-employed individuals.

3. Is there a maximum amount of money a provider can apply for?

The lesser amount of \$10,000,000 or the product of a formula based on payroll costs and outstanding existing SBA loan amounts. Providers should check with their current financial institutions to discuss this formula.

4. Are these loans restricted to for-profit businesses, or can non-profit businesses apply for these loans?

501(c)(3) organizations are eligible to apply.

5. Are the loans restricted to cover only certain types of expenses? If so, what are they?

In general, the loans can cover: employee compensation (salary, payment for leave, allowance for dismissal/separation, health benefits/insurance premiums, retirement benefits, state and local payroll taxes), interest on mortgage obligations, rent, utilities, and interest on other debt obligations.

6. What are the conditions of the loans?

A borrower must certify that the loan request is made necessary by the uncertainty of current economic

conditions; that the funds will be used to retain workers, maintain payroll or make mortgage and utility payments, etc; that the recipient does not have a pending loan request under the same section for the same purpose and duplicative amounts; that during the period of 2/15/20-12/31/20 the recipient has not received amounts under this section for the same purpose and duplicative amounts.

7. How fast will a decision be made on a provider's loan application?

This will vary depending on the individual lender (the business's financial institution).

8. When is loan forgiveness expected to occur as is currently promised?

Loans provided under this program will be forgiven if the borrower maintains their payroll costs at the same level as before 2/15/20 for the eight week period following the date of the loan, as long as 75% of the loan amount is applied to payroll costs. Additionally, all loan payments (interest and principal) will be deferred for at least 6 months (but no more than 1 year). There are no fees to apply and there is no collateral requirement.

Additional Resources Hosted by the Ohio Development Services Agency

- Application for Payment Protection Program (PPP): bit.ly/3aHxwnN
- Information about the PPP for Borrowers: bit.ly/2X8jE2c
- Information Fact Sheet for Businesses: bit.ly/2UG9K67
- List of Financial Institutions Participating in Ohio (by City): bit.ly/2R5OI44

Updates and Additional Information

This document will be updated as necessary to reflect the latest information available. **Additional questions and concerns should be emailed to covid19@oacbdd.org for possible inclusion in this FAQ document.** Thank you for your continued support and collaboration during this public health response.