

SBA Small Business Loans



START • GROW • EXPAND • RECOVER

Top PPP Takeaways from the Economic Aid Act

- Expands PPP eligibility and how funds can be used
- A borrower can now select a covered period to be **between 8 and 24 weeks**
- Offers a Second Draw PPP loan option for hardest hit small businesses
- Allows for deduction of expenses covered with forgiven PPP loan debt on federal taxes
- Updates simplified forgiveness form to include PPP loans of up to \$150,000 (86% of PPP loans submitted in 2020)
- No longer subtracts EIDL Advance from PPP loan forgiveness amount



[SBA.gov/PPP](https://www.sba.gov/ppp)

Summary of All PPP Approved Lending

Loans Approved	Total Net Dollars	Total Lender Count
7,341,398	\$678,702,450,013	5,469

Summary of 2021 PPP Approved Lending

Loans Approved	Total Net Dollars	Total Lender Count
2,194,420	\$156,253,510,068	5,185

Approvals through 02/28/2021

COVID-19 Economic Injury Disaster Loan (EIDL)

Provides economic aid to businesses experiencing a temporary loss of revenue due to COVID-19

Economic Aid Act Extends Deadline to Dec. 31, 2021

- Can be used for working capital and normal operating expenses such as continuation of health care benefits, rent, utilities, fixed debt payments
- **Terms:** 3.75% for businesses (fixed), 2.75% for nonprofits (fixed), 30 years, no pre-payment penalty; loans over \$25,000 secured by UCC filing (\$100 deducted from loan proceeds)
- **Eligibility:** qualified small businesses, cooperatives and agricultural enterprises with 500 or fewer employees (or defined as small per [sba.gov/sizestandards](https://www.sba.gov/sizestandards)), and private non-profits

Loans Approved	Total Net Dollars
3,734,701	\$200,080,956,762

Figures as of 02/15/2021



[SBA.gov/eidl](https://www.sba.gov/eidl)

New Program: Targeted EIDL Advance

No action required until contacted by the SBA via direct email invite

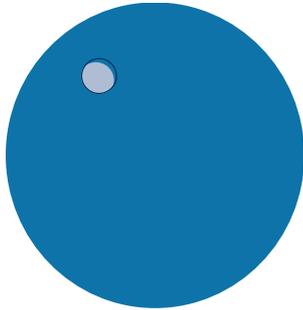
New Program in the Economic Aid Act

- Only for businesses that applied for an EIDL and 1) are in a **low-income community**; 2) have suffered **greater than 30% economic loss**; and 3) have **300 or fewer employees**
- If you meet the above, a Targeted EIDL Advance will (per funding availability):
 - Balance out a previous EIDL Advance to a full \$10,000
 - Provide \$10,000 to those who applied for an EIDL Advance but didn't receive funds due to lack of funding
- The **SBA is emailing those who may qualify** with instructions on how to determine eligibility and submit documentation.



[SBA.gov/eidl](https://www.sba.gov/eidl)

SBA Loan Programs



504 Loan



7(a) Loan



Microloan

Community
Advantage
Loans

SBA Express

Export Loans

CAPLines

7(a) Loan Program

- Provides funds for a variety of uses
- Federally-guaranteed loans up to \$5 Million
- Competitive loan terms
- Term loans or revolving lines of credit

Eligibility for all SBA Loans

To be eligible for an SBA business loan, a small business applicant must:

- 1) Be an operating business
- 2) Organized for profit
- 3) Located in the United States
- 4) Be small based on regulatory size requirements ([13 CFR Part 121](#))
- 5) Demonstrate a need for the desired credit (Credit Elsewhere)
- 6) Owners must be of “good character”
- 7) Demonstrate repayment ability

Permissible Uses of SBA Loans

- Working Capital
- Inventory
- Payables
- Equipment
- Tenant improvements
- Real estate
- Debt Refinance
- Franchise business
- Business acquisition

Economic Aid Act

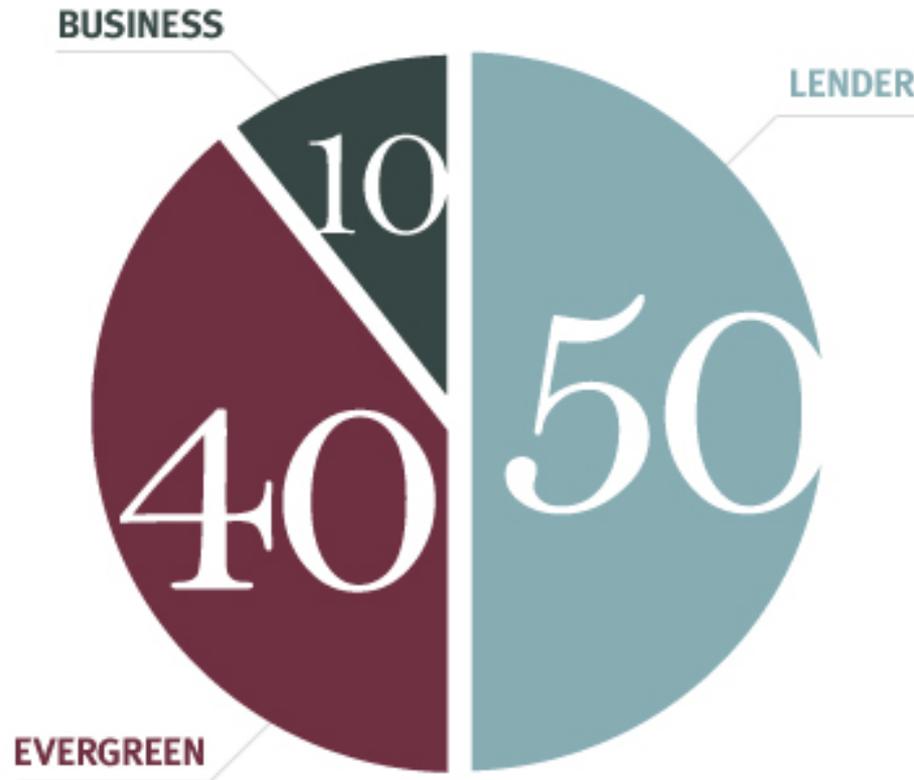
SBA Procedural Notice 5000-20084

Beginning December 27, 2020 through September 30, 2021, for all 7(a) loans (including Community Advantage loans) for which an application is **approved**:

- **90% guaranty for loans** (for the life of the loan)
- **The SBA Guaranty Fee** (Upfront Fee) is reduced to **zero** (including the guarantee fee of one-quarter (1/4) of one percent of the guaranteed portion of a loan with a maturity of twelve (12) months or less);
- **The Lender's Annual Service Fee** (SBA On-Going Guaranty Fee) is reduced to **zero**.

Subject to the availability of funds appropriated by Congress

SBA 504 Loan



SBA-Backed Loan Debt Relief

Program for 7(a), 504 and Microloan Borrowers Only

- Assistance varies based on when the SBA-backed loan was approved and by type of loan (7(a), 504 and/or Microloan).
- Borrowers do not need to apply for this debt relief; the SBA provides it automatically.
- Letters have been distributed to eligible borrowers; a sample letter can be found at www.sba.gov/coronavirusrelief > Debt Relief > Sample Section 1112 Borrower Letter
- Contact your lender with debt relief questions

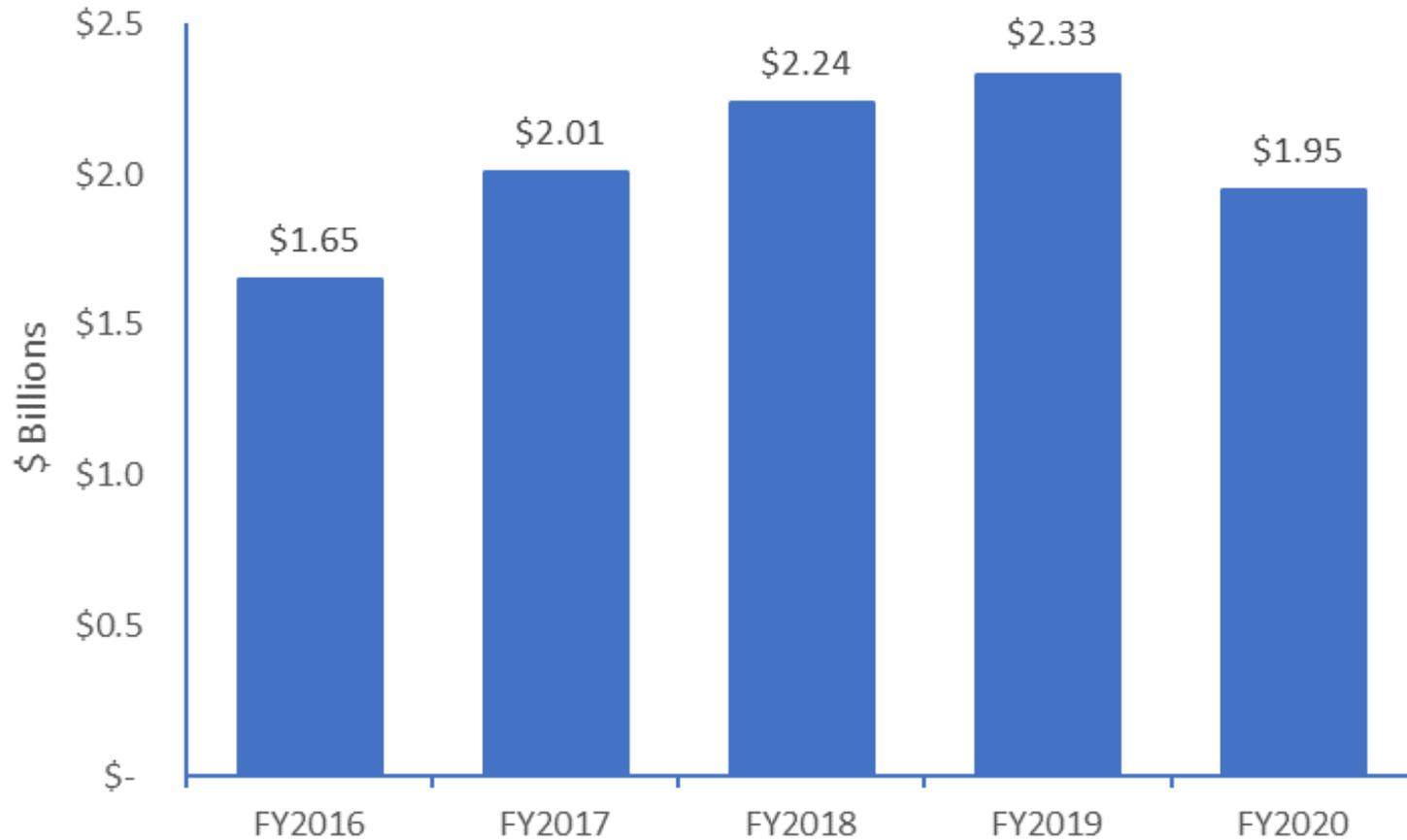


Contracting



START • GROW • EXPAND • RECOVER

Federal Contracts Performed in Alaska



Source: <https://www.usaspending.gov> (2/9/2021)

Set-Aside for Certification Programs and Socio-Economic Categories

Targeted set-asides and acquisition goals:

**Women-Owned Small Businesses
(5%)**

**Small Disadvantaged Businesses
(including 8(a) certified) (5%)**

HUBZone Businesses (3%)

**Service-Disabled Veteran-Owned
Small Businesses (3%)**



Set-asides are reserved for small business between \$3,500 (Micro-purchase Threshold) to \$250,000 (Simplified Acquisition Threshold)

Federal Procurement – FY 2019

Government Wide Overall

Goal Category	Eligible Dollars	Actual Dollars	Goal %	Actual %
Small Business	\$501.6B	\$129.5B	23 %	25.82%
- Small Disadvantaged Business		\$ 50.8B	5 %	10.13%
- Women Owned		\$ 25.3B	5 %	5.04%
- Service Disabled Veteran Owned		\$ 21.8B	3 %	4.34%
- HUBZone Small Business		\$ 11.2B	3 %	2.23%

Source: <https://beta.sam.gov/reports/awards/static>

Benefits of Subcontracting



Starting point for Federal contracting

Builds capacity

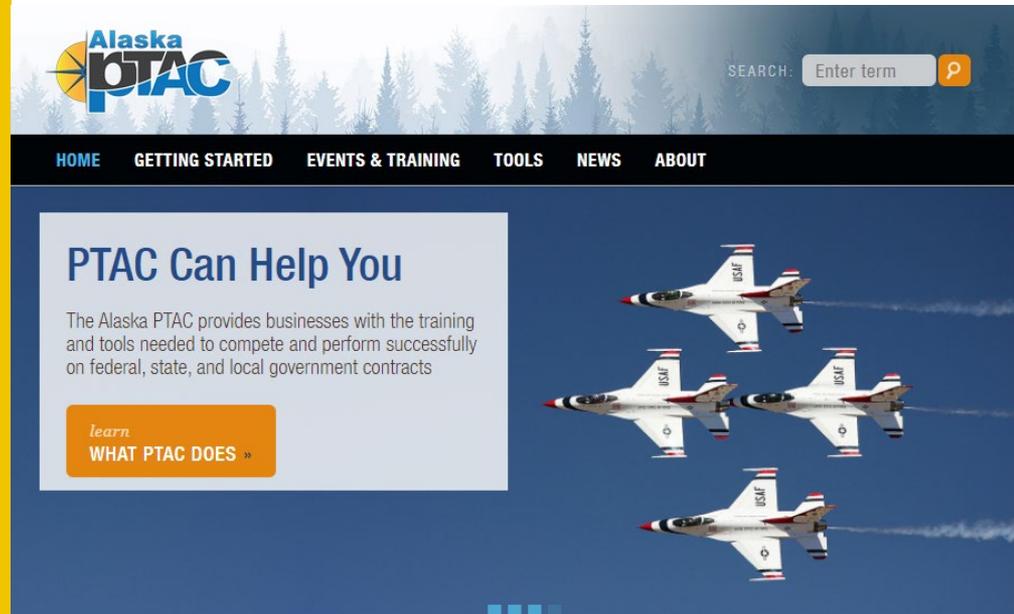
Creates past performance

Access to the Federal Government indirectly

Faster way to enter the Federal Marketplace

Procurement Technical Assistance Centers (PTAC)

- Provide local, in-person counseling and training
- Provide technical assistance to small business on
 - Doing business with the federal, state, and city government
 - Certification and registration process



- Website: <https://ptacalaska.org>
- Email Address: info@ptacalaska.org
- Phone:
 - Anchorage: 907-786-7258
 - Fairbanks: 907-456-7822

SBA/PTAC Monthly Contracting Class

SBA Surety Bond Guarantee Program

Information Session



Federal Contracting Series by SBA & PTAC

SBA Surety Bond Guarantee Program

Are you a small business that's new to the contract bonding process? Already bonded, but need a higher bond limit? How about posting collateral or using funds control to get bonding? If you answered yes to one or more of the above questions, the SBA surety bond program can assist you open doors for success! Learn how to obtain contract bonds up to \$10 million!

Surety bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed. Many public and private contracts require surety bonds, which are offered by surety companies.

Who should attend:

Businesses interested in government contracts

Date and time:

Tuesday, Mar. 16, 2021
12:30 to 1:30 p.m.

Place:

Webinar only

Register now: