



TX-33 SMALL BUSINESS COVID-19 RESOURCE GUIDE



A MESSAGE FROM REP. MARC VEASEY (TX-33):

This is an unprecedented time and Americans are being impacted in every corner of our nation. My top priority is ensuring the safety and security of North Texas workers and businesses during this time. I want to share these resources to aid you as you navigate the coronavirus pandemic and the future of your business.

If you face any issues, please contact my Dallas district office at (214) 741-1387 or my Fort Worth office (817) 920-9086. Information around this outbreak is changing rapidly, but you can find the latest information at <https://www.dshs.texas.gov/coronavirus/>, and <https://veasey.house.gov/serving-you/what-you-need-to-know-covid-19-coronavirus>

Sincerely,

A handwritten signature in black ink, appearing to read 'Marc Veasey', with a long horizontal flourish extending to the right.

Marc A. Veasey (TX-33)
Member of Congress

U.S. SMALL BUSINESS ADMINISTRATION ECONOMIC INJURY DISASTER LOANS

At the request of Governor Greg Abbott, the Small Business Administration (SBA) issued an Economic Injury Disaster Declaration on March 20, 2020, for all 254 Texas Counties in response to COVID-19 for the provision of Economic Injury Disaster Loans (EIDL) to businesses and private non-profits in affected communities.

SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.

If you have suffered substantial economic injury and are one of the following types of businesses, you may be eligible for an SBA Economic Injury Disaster Loan (EIDL):

- Small Business
- Small agricultural cooperative
- Most private nonprofit organizations

You may apply for an EIDL loan here: <https://disasterloan.sba.gov/ela/>

Applicants can call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. For additional information or to obtain help preparing the loan application, you can also contact the Dallas/Fort Worth SBA Office at 817-684-5500 or visit their website: <https://www.sba.gov/offices/district/tx/dallas-fort-worth>

You can also contact my Dallas district office at (214) 741-1387 or my Fort Worth office (817) 920-9086 if you need additional help.

More information regarding the Economic Injury Disaster Loan program regarding COVID-19 can be found here: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

EMERGENCY ECONOMIC INJURY GRANTS

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

Businesses who are eligible for the grant must be eligible for an EIDL and have been in operation since January 31, 2020, when the public health crisis was announced. The grants will be available until December 31, 2020, and are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.

QUESTIONS ON ECONOMIC INJURY DISASTER LOANS

What is an Economic Injury Disaster Loan?

The SBA's Economic Injury Disaster Loan (EIDL) program provides small businesses with working capital loans of up to \$2 million to help overcome the temporary loss of revenue. The loans may be used to pay fixed debts, payroll, accounts payable, or other bills that can't be paid because of the COVID-19 outbreak. The interest rate is 3.75 percent for small businesses without credit available elsewhere, and businesses with credit available elsewhere are not eligible to apply for assistance. The maximum term is 30 years. A small business is defined by the SBA's Size Standards in accordance with the Native American Industry Classification System (NAICS) codes and SBA's Size Standards Tool can be utilized.

How do I know if my small business is in an eligible area?

SBA's Office of Disaster Assistance works with state emergency management divisions to certify certain areas as an "eligible area." The list of eligible areas is also available online at: <https://disasterloan.sba.gov/ela/Declarations/Index> or <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>. The list is updated periodically and on the same day a new declaration is approved. All of Texas has been declared an eligible area.

What is the timeline?

Once a borrower submits an application, approval timelines depend on volume. Typical timeline for approval is 2-3 weeks and disbursement can take up to 5 days. Borrowers are assigned individual loan officers for servicing of the loan.

Where can I find more information?

For additional information, borrowers should contact the SBA Disaster Assistance customer service center by calling 1-800-659-2955 or emailing

disastercustomerservice@sba.gov. They can also visit [SBA.gov/disaster](https://www.sba.gov/disaster) for more information. Additionally, they may reach out to the SBA Dallas Fort Worth office at 817-684-5500 or visit their website: <https://www.sba.gov/offices/district/tx/dallas-fort-worth>

If small businesses need help with their applications, are there any other resources available to help them fill out the applications?

SBA has also coordinated with the Resource Partners, including Small Business Development Centers, (SBDCs) who can assist with the application process. The list of SBDCs is available online at:

<https://www.sba.gov/localassistance/find/?type=Small%20Business%20Development%20Center&pageNumber=1>

U.S. SMALL BUSINESS ADMINISTRATION PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) is a guaranteed loan program at the SBA for small businesses to cover payroll during the immediate crisis. If employers maintain their payroll, the loans are forgiven.

The program includes forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. **Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020.** This program is retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. Loans are available through June 30, 2020.

QUESTIONS ON SBA PAYCHECK PROTECTION PROGRAM

What types of businesses and entities are eligible for a PPP loan?

- Businesses and entities must have been in operation on February 15, 2020.
- Small businesses, as well as any business, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
- Note: Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

How is the loan size determined?

Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always \$10 million.

- If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.
- If you were not in business between February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.
- If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020 and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

What costs are eligible for payroll?

- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent) Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of State or local tax assessed on the compensation of employees

What costs are not eligible for payroll?

- Employee/owner compensation over \$100,000
- Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
- Compensation of employees whose principal place of residence is outside of the U.S.
- Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

What are allowable uses of loan proceeds?

- Payroll costs (as noted above)
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
- Employee salaries, commissions, or similar compensations (see exclusions above)
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
- Rent (including rent under a lease agreement)
- Utilities
- Interest on any other debt obligations that were incurred before the covered period

What is the loan term, interest rate, and fees?

For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).

How is the forgiveness amount calculated?

Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):

- Payroll costs plus any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation plus any covered utility payment.

How do I get forgiveness on my PPP loan?

- You must apply through your lender for forgiveness on your loan. In this application, you must include: Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities. Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.

What happens after the forgiveness period?

Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.

Can I get more than one PPP loan?

No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

Where should I go to get a PPP loan from?

All current SBA 7(a) lenders (see more about 7(a) here) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including nonbank lenders, to help meet the needs of small business owners.

How does the PPP loan coordinate with SBA's existing loans?

Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and

microloans, and also receive investment capital from Small Business Investment Corporations (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?

Emergency Economic Injury Grant and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the Small Business Debt Relief Program may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.

U.S. SMALL BUSINESS ADMINISTRATION SMALL BUSINESS DEBT RELIEF PROGRAM

This program provides immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, the SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the signing of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

QUESTIONS ON SMALL BUSINESS DEBT RELIEF PROGRAM

Which SBA loans are eligible for debt relief under this program?

7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible.

How does debt relief under this program work with a PPP loan?

Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

How do I know if I'm eligible for a 7(a), 504, or microloan?

In general, businesses must meet size standards, be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <https://www.sba.gov/funding-programs/loans> for more details.

What is a 7(a) loan and how do I apply?

7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit this site to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called Lender Match to help find a lender near you.

What is a 504 loan and how do I apply?

The 504 Loan Program provides loans of up to \$5.5 million to approved small businesses with long term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called Lender Match to help find a lender near you.

What is a microloan and how do I apply?

The Microloan Program provides loans up to \$50,000 to help small businesses and certain not-for profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called Lender Match to help find a microlender near you.

I am unfamiliar with SBA loans, can anyone help me apply?

Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center [here](#).

NATIONAL RESOURCES

- The U.S. Chamber of Commerce has information on resources and ways individuals and businesses can seek assistance. For more information, please visit: <https://www.uschamber.com/coronavirus> or contact 1-800-638-6582.
- The U.S. Chamber of Commerce has a small business resource guide that features technology tools, employer guidance, business strategies and more as you navigate through this challenging time. For more information, please visit: <https://www.uschamber.com/co/small-business-coronavirus>.
- The National Main Street program has resources for small business and offers community support for those impacted by COVID-19. For more information, please visit: <https://www.mainstreet.org/howwecanhelp/resourcecenter/covid19resources> or contact 312-610-5613.

STATE AND LOCAL RESOURCES

- The State of Texas has created a comprehensive resource guide for businesses impacted by COVID-19. You can find information here: <https://gov.texas.gov/business/page/coronavirus>
- The Texas Workforce Commission (TWC) has developed resources for employers: <https://twc.texas.gov/news/covid-19-resources-employers> and for jobseekers: <https://twc.texas.gov/news/covid-19-resources-job-seekers>
- The Texas Restaurant Association has established the TX Restaurant Relief Fund to aid restaurants impacted by COVID-19. You can apply on their website <https://www.txrestaurant.org/news/coronavirus-guidance-resources>, and find webinars, resource guides, tips on sanitation and more useful information to help your business.
- The City of Dallas' Department of Economic Development has information on city regulations and resources: <http://dallasecodev.org/562/COVID-19-Info-for-Small-Businesses>
- The Texas Small Business Development Center offers one-on-one confidential consulting. They are available to assist by phone, email, or video conference: <https://sbdctexas.org/>.

GUIDANCE FOR EMPLOYERS



PREVENTATIVE MEASURES FOR EMPLOYERS

Dallas County Judge Clay Jenkins and Tarrant County Judge Glen Whitley issued a Stay Safe Stay Home order for Dallas and Tarrant Counties, which took effect on Monday, March 23, 2020 for Dallas and Tuesday, March 24, 2020 for Tarrant County, requiring businesses not deemed essential to stop operating. You can find more information on the orders here:

Dallas County <https://www.dallascounty.org/government/comcrt/jenkins/covid-19.php>

Tarrant County: <http://www.tarrantcounty.com/content/dam/main/global/Covid-19/covid-19-EO-stay-at-home-amended-signed03-24-20.pdf>

The CDC recommends that all employers consider how best to decrease the spread of acute respiratory illness and lower the impact of COVID-19 in their workplace in the event that the illness spreads. All employers should be ready to implement strategies to protect their workforce from COVID-19 while ensuring continuity of operations.

The CDC has prepared a list of recommended strategies to help employers contain the spread of the illness within their workplace:

- Actively encourage sick employees to stay home

- Separate sick employees in the workplace and send them home
- Emphasize staying home when sick, respiratory etiquette and hand hygiene by all employees by posting informational posters and setting up multiple hand hygiene stations
- Perform routine environmental cleaning and provide disposable wipes for employees to use
- Get the latest information regarding travel safety
- Communicate your attendance expectations to your employees

The CDC also recommends that employers create a flexible plan to manage sick leave policy and attendance issues, and to implement working remotely and avoiding holding meetings in close quarters.

For more information, see: <https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html>.

CONTEMPLATING LAYOFFS

If you have to close your business either temporarily or permanently and need to lay off employees, you may be able to submit a mass claim for unemployment benefits on their behalf.

The Texas Workforce Commission's Mass Claims program streamlines the unemployment benefit claims process for employers faced with either temporary or permanent layoffs. Employers can submit basic worker information on behalf of their employees to initiate claims for unemployment benefits. You can submit a mass claim request on Employer Benefits Services 24 hours a day, seven days a week.

- For more information, see: Mass Claims for Unemployment Benefits or contact TWC's Mass Claims Coordinator at 512-463-2999.
- To submit a Mass Claim, log on to Employer Benefits Services website at <https://twc.texas.gov/businesses/employer-benefits-services>

Note: If you have already laid off staff, you cannot use Employer Benefits Services (EBS) to submit a Mass Claim.

If your layoff date was in the past and you have 10 or more employees affected by the pandemic, email TWC's Mass Claims Coordinator at ui.massclaims@twc.state.tx.us and ask us to provide Mass Claims documents to submit manually. Make sure your email contains the following information:

- Company's name, address, phone and fax number, and TWC Tax Account Number
- Contact person's name (authorized representative with signature authority)
- Contact's email address, phone and fax number
- The layoff date and how many employees were affected

SHARED WORK PROGRAM

If your business has slowed down due to the pandemic and you need to reduce employee working hours, you may be able to avoid laying off employees by submitting a shared work plan.

The Texas Workforce Commission's Shared Work program provides Texas employers with an alternative to layoffs. TWC developed this voluntary program to help Texas employers and employees withstand a slowdown in business.

Shared Work allows employers to:

- Supplement their employees' wages lost because of reduced work hours with partial unemployment benefits.
- Reduce normal weekly work hours for employees in an affected unit by at least 10 percent but not more than 40 percent; the reduction must affect at least 10 percent of the employees in that unit.

Shared Work unemployment benefits are payable to employees who qualify for and participate in an approved Shared Work Plan. Workers may choose not to participate. Employees who qualify will receive both wages and Shared Work unemployment benefits.

For more information, visit: <https://twc.texas.gov/businesses/shared-work>

FOR EMPLOYEES

EMERGENCY PAID SICK AND PAID FAMILY LEAVE

H.R. 6201, *The Families First Coronavirus Response Act* expanded access to emergency paid sick and family leave to as many as 87 million U.S. workers. Many of these workers currently have no paid leave and are being forced to choose between their paycheck, their health, and the health of the people around them. The bill created emergency paid sick leave along with paid family leave for individuals impacted by Coronavirus/COVID-19. The legislation applies to employers with greater than 50 and fewer than 500 employees, who can claim a 100 percent refundable tax credit against payroll taxes. This is a critical step toward protecting families' financial security and mitigating the spread of the coronavirus.

During this time, I want to make sure our North Texans have the resources they need to help them and their families. Below are a few helpful resources:

- To get more information on applying for unemployment benefits, visit: <https://twc.texas.gov/news/covid-19-resources-job-seekers>

- For more information about emergency paid sick leave, visit:
<https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/2020-03-17%20Emergency%20Paid%20Sick-Family%20Leave%20Fact%20Sheet%20Enrolled%20FINAL.pdf>
- To see the Frequency Asked Questions (FAQs) about paid leave for Small Businesses, visit:
https://smallbusiness.house.gov/uploadedfiles/small_business_fact_sheet_on_families_first_coronavirus_response_act.pdf

BANK ASSISTANCE INFORMATION:

Several banks have set up contact lines to work with individuals impacted by COVID-19. If a bank is not listed below, reach out to them to find out what they are doing to assist those affected by COVID-19. The Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) have also put out information for bankers and consumers.

- FDIC: <https://www.fdic.gov/coronavirus/index.html>
- NCUA: <https://www.ncua.gov/>

Other banks assisting during COVID-19:

- Bank of America: **1 (800) 432-1000**
<https://about.bankofamerica.com/promo/assistance/latestupdates-from-bank-of-america/coronavirus>
- Bank of Texas: **(800)-346-5312** <https://www.bankoftexas.com/landing-pages/covid-19/covid-19-resource-center>
- BBVA: **1-800-273-1057** <https://www.bbvausa.com/special/covid19.html>
- Capital One: **1-877-383-4802** <https://www.capitalone.com/coronavirus/>
- Chase: **1-800-935-9935** <https://www.chase.com/digital/resources/coronavirus>
- CitiBank: **1-855-839-6253** <https://online.citi.com/US/JRS/pands/detail.do?ID=covid19>
- Comerica Bank: **1-855-839-6253** <https://www.comerica.com/campaigns/covid-19.html>
- Discover: **1-800-347-2683** <https://www.discover.com/coronavirus/>
- Frost Bank: **(800) 513-7678** <https://www.frostbank.com/COVID-19>
- Marcus by Goldman Sachs: **844-627-2876**
<https://www.marcus.com/us/en/media/blogs/info-on-covid19>.
- Truist: **(800) 513-7678** <https://www.truist.com/coronavirus-information>
- US Bank: **(800) 872-2657** <https://www.usbank.com/splash/covid-19.html>
- Wells Fargo: **1 (800) 869-3557** <https://www.wellsfargo.com/com/focus/coronavirus-updates/>