



## Re: New Economic Relief Programs To Help Businesses During COVID-19

Dear Valued Client,

We are partners together, dealing with the COVID-19 pandemic, and we have made it a priority to help you mitigate the negative impact of this challenge on your business. Our team of commercial bankers has preemptively identified incoming funding programs that might assist you if or when your business is in need of a capital injection and/or cashflow relief.

### SBA's Coronavirus Disaster Relief Recovery Lending

**Background:** Legislation is moving through Congress that will soon award the United States Small Business Administration (SBA) an unprecedented \$50 billion for disaster loan funding applicable to businesses that reside in designated states and territories. Governor Tony Evers has requested that the state of Wisconsin be declared a disaster zone and thus become eligible for such funding. It is anticipated that Wisconsin will be designated as such, providing local business owners with the eligibility to apply for an Emergency Economic Relief Loan from the SBA. Applying directly through the SBA is the most time efficient method to obtain funding for such relief.

#### Highlights:

- Business owners are to apply online via <https://disasterloan.sba.gov/ela/Account/Login>
- **Owners of commercial real estate (apartment buildings, shopping centers, etc.) will be eligible.**
- While Governor Evers' request is pending, it is recommended that you register and create a profile now.
- Eligible businesses can receive funding up to \$2,000,000 based on their economic injury and their ability to repay the loan.
- The first four months of payments for any loan granted through this program will be deferred.
- A business owner with multiple businesses all in need of funding will fall under one loan application. Said differently, you won't need to apply for six separate loans if you own six separate businesses. Instead, you will apply for one loan and your aggregate credit availability will be up to \$2,000,000.
- Businesses with current or former SBA loans will not have their eligibility restricted so long as they are/were in good standing and compliance. SBA industry restrictions (gambling, multilevel marketing companies, etc.) will remain in effect. Business owners should note on their applications that they do not have access to credit elsewhere.
- Once an online application is submitted, the SBA's computer algorithm will either deny the loan request or advance it forward within 24-48 hours.
- Once the application advances it will be assigned to a loan officer for final approval.
- After approval, the business owner will work with a case manager to coordinate closing and funding.
- It is likely that loans greater than \$100,000 will be disbursed through a series of funding draws that will be coordinated between the business owner and his/her case manager. It is anticipated that loans less than \$25,000 will have much more flexible underwriting criteria.
- If this crisis is prolonged and a business owner requires additional credit, he or she will not need to start the process over and reapply for another loan. Instead, he or she will work with their associated case manager to extend their current credit facility as long as the total loan amount does not exceed \$2,000,000.
- Loan interest rates are set at 3.75% for businesses with long-term amortizations available.



- Private nonprofit organizations are also eligible for funding thru this program.
- Historical turnaround times for disaster loans thru the SBA have been 21 days on average.
- Additional information can be found via <https://disasterloan.sba.gov/ela/>.
- The SBA's customer service hotline for this program has an average wait time between 10-20 minutes. The number is 1-800-659-2955: x2 x1 x2

### **Wisconsin Economic Development Corporation \$20,000 Grants**

**Background:** The WEDC will be offering up to \$20,000 in grants to businesses through its new Small Business 20/20 program. Business owners seeking such grants will need to apply through their local Community Development Financial Institution (CDFI).

#### **Highlights:**

- Dane County's local CDFI that will facilitate the application and funding process is Forward Community Investments.
- Once the application is made available online, business owners can apply via <https://www.forwardci.org/>
- Businesses seeking grants via the SB 20/20 need to be current borrowers of a Wisconsin-based CDFI in some form or another. For businesses that are not currently borrowers of a CDFI, please note that WEDC has more grant programs in the pipeline with details to be released in the coming weeks.
- Additional information can be found via <https://wedc.org/programs-and-resources/small-business-2020/>

### **Small Business Interruption Loans**

**Background:** The United States Senate is currently in negotiations with the United States House of Representatives to create a \$300 billion fund to enable business owners with less than 500 employees to fund 100% of six weeks of payroll not to exceed \$1,540 per week per employee.

#### **Highlights:**

- This program is not yet finalized thus the application process has yet to be released.
- As more details of this program are announced we will share them with you and are prepared to assist you in the application process.

### **Conclusion**

OCB and MSB commercial bankers are ready to assist you in the application process of the above funding options. We will also keep you posted on the progress of these initiatives along with information of any other economic relief strategies yet to be released by our local or federal government. Due to the low interest rates, potentially quick turnaround times, and attractive terms available through these options, we ask that you partner with us on working through these solutions as your first financing options.

OCB's fundamental mission to serve clients, support colleagues, and invest in our communities remains our primary focus during this time. We are grateful to our valued clients for giving us the opportunity to be a partner to their businesses through this crisis.

Sincerely,  
**Your Commercial Banking Team**