SBA Disaster Loans Update & Other Financing Options Webinar

May 1, 2020
Logistics

• All audio will stream through your computer speakers.

• Please submit your questions anytime throughout the presentation in the Question box, located on the bottom of your screen.

• Webinar recording and slides are posted by the end of the day.

ampsocal.org/webinars
USC Price
Center for Economic Development

Outreach arm of the Price School of Public Policy

Supports EDA’s mission by
- Providing technical assistance to economically distressed and underserved communities
- Developing strategies to enhance collaborative regional innovation

Capabilities
- Planning
- Economic development and policy studies
- Feasibility and market analyses
- Needs assessments
- GIS mapping
- Consensus building
- Technical assistance workshops
- Strategy development
About AMP SoCal

- Collaboration of government, academia, and industry partners
- Designed to strengthen the Southern California aerospace and defense manufacturing supply chain
- A federally designated “Manufacturing Community” by the U.S. Department of Commerce
Who We Are

AMP SoCal is led by the USC Center for Economic Development (CED), an applied research center of the USC Sol Price School of Public Policy, in partnership with the City of Los Angeles and over 135 companies and organizations.

Partners Include:

- Boeing
- NASA Jet Propulsion Laboratory
- California Institute of Technology
- CSU San Luis Obispo
- The Port of Long Beach
- Cal Poly
- USU University of Southern California
- Northrop Grumman
- Ventura County Workforce Development Board
- CMTC
- San Diego East County Economic Development Council
- UCLA
AMP SoCal Annual Summit
B2B Strategic Matchmaking
For A&D Suppliers
May 25 – May 29, 2020

One-on-One Appointments with OEMs
Virtual meetings via Zoom
Free – Register at AMPSoCal.org

www.AMPSoCal.org
Today’s Panelists

Terri Billups
SBA
LA Regional Office
lado@sba.gov

Stacey Sanchez
CDC Small Business Finance
ssanchez@cdcloans.com

Nestor Correa
Small Business Development Corp of Orange County
info@sbfdoc.org
The SBA works to ignite change and spark action so small businesses can confidently

START • GROW • EXPAND • RECOVER
The SBA Resource Partner Network

Access the right tools at the right time—wherever you are.

Approved and funded by the SBA

1,400+ partner offices nationwide

Find local resource partners near you at SBA.gov/local-assistance
Your Local SBA District Office Can Help

Contact Us
Los Angeles District Office
312 N. Spring St.
Los Angeles, CA
Email: lado@SBA.gov

TWITTER: sba_losangeles
Build Capacity as Your Business Develops

GROW • EXPAND
Are You Ready to Consider Federal Contracting?

The world’s largest customer, buying all kinds of products & services

Required by law to provide contract opportunities to small businesses

Evaluate your readiness & learn more by visiting SBA.gov/contracting
Federal contracting can represent a very profitable market for your business—but it can also be extremely complex to get started and thrive. The SBA can help you determine if your business is ready for federal contracting by assessing your:

- Marketability
- Structure and experience
- Systems and capacity
- Ability to find contracts
Qualify for Federal Contracts with Certifications

The SBA works with federal agencies to award at least 23% of all prime government contracting dollars each year to small businesses that are certified with the SBA’s contracting programs. Programs include:

- 8(a) Business Development Program
- Historically Underutilized Business Zones (HUBZone) Program
- Women-Owned Small Business (WOSB) Program
- Service-Disabled Veteran-Owned Program

Learn more and determine your eligibility at certify.SBA.gov
Need Access to Capital?  
The SBA Can Help
Need Funding for Your Business? The SBA Can Help.

1. SBA-backed Loans
2. Private Investors
3. R&D Awarded Funds
1. Need a Business Loan to Start, Grow, or Expand?

The SBA works with approved lenders to offer **microloans** and **SBA-backed loans** with:

- Competitive terms
- Lower down payments
- Flexible overhead requirements
- Counseling and education
How Can an SBA-backed Loan Help You?

- Launch, grow, or repair a start-up
- Start or purchase a small business
- Access revolving credit or working capital for day-to-day expenses

- Purchase, renovate, or expand facilities
- Purchase inventory, equipment, or machinery
- Purchase land or real estate
- Export a product or service
Increase Your Chances of Securing a Loan

Lenders want to know they’re making a smart choice by giving you a loan. Your local SBA Resource Partners can help you develop your:

- Business plan
- Expense sheets
- Financial statements
- Financial projections
SBA Loan Programs

- 504 Loan
- 7(a) Loan
- Microloan

- Community Advantage Loans
- International Trade Loans
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
• Robust secondary market and CRA credits
7(a) Loan Program: International Trade Loans

• Helps small businesses expand globally
• Guaranties from 75 percent to 90 percent
• Offers three specific loan programs:
  • International Trade Loan Program
  • Export Working Capital Program
  • Export Express
7(a) Loan Program: Community Advantage Pilot

- Originated and serviced by mission-based lenders
- Focus on underserved markets
- Receive loan guaranties up to 90 percent
- Secondary market profits can be reinvested back into the community
504 Loan Program

- Requires a smaller down payment compared to commercial loan
- Competitive fixed-rate mortgage financing
- CDC processes SBA paperwork for the client
- Capped at $5M however some energy efficient or manufacturing projects may go up to $5.5M
- Terms of 10, 20 or 25 years
Microloan Program

- Mission-based lenders and nonprofits
- Microloans of up to $50,000
- Interest rates negotiated by lender
Find an SBA-approved lender that’s right for you by visiting SBA.gov/lendermatch
2. Need Funding from Private Investors?

Secure capital from investors partnered with the SBA through Small Business Investment Companies (SBICs).
Grow Your Operations with SBICs

If you have strong financial performance and promising prospects, you can work with SBICs to grow and expand through:

- **Connections & expertise** in your industry
- **Business investment** through debt, equity, or a combination of both

Learn more and find an SBIC using our online directory at [SBA.gov/funding-programs/investment-capital](https://SBA.gov/funding-programs/investment-capital)
Open the door to early stage capital through Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR).
If you are a technology-focused small business looking to fund research and development or prototyping operations, you may qualify for federal grants from 11 federal agencies participating in the SBIR-STTR program.

Key areas for funding include:

- Artificial intelligence
- Nanomaterials
- Clean energy
- Water filtration
- Education technology
- Wearable technology

Learn more and determine if SBIR-STTR is right for you at SBIR.gov
Reimagine Your Potential as You Branch Out
Interested in International Trade or Exporting?

Nearly 96 percent of consumers live outside the U.S.

Two-thirds of the world’s purchasing power is in foreign countries

Evaluate your readiness & learn more by visiting SBA.gov/exporting
The SBA Can Help You Go Global

Get Counseling & Training
- U.S. Export Assistance Centers (USEACs)
- Small Business Development Centers (SBDCs)

Find Buyers Internationally
- State Trade Expansion Program (STEP)

Get Export Funding
- Export Express Loans
- Export Working Capital Loans
- International Trade Loans
Questions?

Terri Billups
Asst. District Director, Economic Development
213-634-3855| lado@sba.gov
COVID-19 EMERGENCY LOAN PROGRAMS

Presented by:
Stacey Sanchez
Loan Officer
CDC Small Business Finance
WHAT IS A CDC?

- CDC = Certified Development Company

CDCs are certified by the SBA (Small Business Administration) to administer SBA 504 loans, primarily for commercial real estate.

CDCs are private, non-profit entities with a mission to provide business financing to those who aren’t quite strong enough for bank financing.

- 260+ CDC’s in the country
Payment Protection Plan

• This program offers financing to support payroll and other fixed operating expenses. All SBA lenders are still awaiting instructions from the SBA as to how to deploy funds.
• Max loan is 2.5 times your average monthly payroll over the last 12 months or $10,000,000, whichever is smaller.
• After two months you can apply for debt forgiveness after providing proof that they funds were spent as required. Otherwise it converts to a loan.
• 75% of the fund must be used for payroll to qualify for debt forgiveness.
• CDC SBF is offering this to our own borrowers only at this time. Contact your bank to see if they are offering this loan.
APPLY FOR PPP

• Apply online at www.cdcloans.com
  • Apply as a CDC customer – click box for Payment Protection - follow instructions to apply as a customer.
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, 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 President signing the bill into law.
CDC SMALL BUSINESS FINANCE
EMERGENCY LOAN PROGRAMS

COVID-19 Working Capital Loans
through CDC Small Business Finance
COVID-19 Working Capital Loan Program

✓ Offered directly by CDC Small Business Finance
✓ Max loan: $150,000 or last year’s total sales, whichever is smaller
✓ Loans offered for working capital only
✓ Credit: score of 680, BK at least 3 years old, no open liens or judgements
✓ Rates: Prime + 2.75% to Prime + 4.75%
✓ Terms: 7-10 years
✓ You can also learn more about our emergency loans here: https://cdcloans.com/emergencyrelief/
COVID-19 Working Capital Loan Program

✓ Checklist items needed to apply
  ✓ 3 months of current bank statements
  ✓ Last three years business tax returns
  ✓ Most recent personal tax return
  ✓ CDC Forms: CDC COVID-19 Loan Application, PFS, Debt Schedule
  ✓ Brief written summary of how you have been impacted by Covid-19 emergency and if loan will be used to preserve jobs
Apply Now!

Contact me to apply now: ssanchez@cdcloans.com
Small Business Development Corporation of Orange County

Established as a non-profit corporation in 2001, Small Business Development Corporation of Orange County focuses on the economic development of underserved communities in California.

271 N. Sycamore Street, Santa Ana CA 92701
Tel. 714.571.1900 | info@sbfdoc.org
SMALL BUSINESS DISASTER RELIEF
LOAN GUARANTEE PROGRAM

1. WHO QUALIFIES? ARE YOU ELIGIBLE?
Small Businesses located in California with 1-750 employees that have been negatively impacted or experienced disruption by COVID-19 and eligible nonprofits can use the disaster relief loan guarantee program.

2. FIRST STEP -- APPLY FOR A LOAN
CONTACT A PARTICIPATING LENDER in your area (participating lenders are listed at: https://ibank.ca.gov/small-business-finance-center/) and apply for a loan. You also can receive help in the application from your local Small Business Development Center.

3. HOW DOES A LOAN GUARANTEE WORK?
A loan guarantee mitigates the risk assumed by a traditional lending institution. A bank is more willing to provide access to capital if there is a guarantee in place that would repay up to 95% of the loan should there be a default.

4. WHAT CAN LOAN PROCEEDS BE USED FOR?
The funds are meant to help small businesses through this challenging time. Loan proceeds can be used for business continuance or to cure "economic injury" as a result of the COVID-19 pandemic.

5. WHAT ARE THE LOAN TERMS?
The loan can be guaranteed up to 7 years and cover up to 95% of the loan. The interest rates are negotiated between the lender and the borrower. Qualifications are based on lender criteria.

VISIT WWW.IBANK.CA.GOV FOR MORE INFORMATION.
FDCS ARE AVAILABLE TO PROCESS THE GUARANTEE ON A LOAN PROVIDED BY YOUR LENDER!
California Small Business Loan Guarantee Program

TERMS

Maximum Guarantee Amount
$1,000,000 or 80.0% on loans up to $20,000,000, whichever is less

Loan Types
Term Loans and Lines of Credit

Maximum Term
Term Loans – 7 years (can include up to 25-year amortization)
Lines of Credit – 1 year or multi-year commitments up to 7 years

Interest Rate
Negotiated between borrower and lender.

Use of Proceeds
Start-up Costs, New Construction, Commercial Real Estate, Acquisition / Refi
Inventory, Working Capital, Franchise Fees, Business Expansion, Leasehold
Improvements, Gap Financing, Farming, Export Financing and Disaster Relief.
Non-profits are welcome!

FEES

Guarantee Fee
2.5% Guaranteed Portion

Doc Prep Fee
$250

Needs List
Three (3) years Business Financial Statements and Personal/Corporate Tax Returns
Interim Financial Statement including Balance Sheet & Income Statement (Current within 90 Days)
Personal Financial Statement and Credit Reports (Guarantors)
Schedule of Business Debt
Corporate or Business Formation Documents
Lease Information (Lease Term and/or Option for term of loan)
Copy of Escrow Instructions (for real estate or business acquisitions)
For Lines of Credit: Accounts Receivable and Accounts Payable Agings
Projections: Profit & Loss (annual for 3 years) with detailed assumptions

Collateral
“Best Available” business and personal assets (machinery, equipment, accounts receivable,
inventory and real property). Real property ownership is not required for approval.
Personal guaranty of each 20.0% or more owner; not applicable for non-profit
Other collateral as deemed necessary by lender or SBDC-OC

SBDC-OC Approval Process
Email package to Richard Lee rlee@sbfdoc.org and Nestor Correa ncorrea@sbfdoc.org
Generally one week turnaround time.
LENDERS ACCEPTING PPP APPLICATIONS*

* These SBA authorized lenders that will take an application without the requirement of an existing Banking relationship.

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<thead>
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<th>Status</th>
<th>Company</th>
<th>Address</th>
<th>Phone</th>
<th>Website</th>
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<tbody>
<tr>
<td>PLP</td>
<td>Preferred Lender Program: Approval authority delegated to Lender</td>
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<td>EXPR</td>
<td>SBAExpress Lender</td>
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<td>504</td>
<td>504 Certified Development Company</td>
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<td>EWCP</td>
<td>Export Working Capital Program</td>
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<td>Microlender</td>
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<td>Community Advantage Lender</td>
<td>SBA 7(a) loans by non bank lenders up to $250,000</td>
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<tr>
<td>EXPR</td>
<td>Bourns Employees Federal Credit Union**</td>
<td>1200 Columbia Ave., Riverside, CA 92507</td>
<td>(951) 781-5600</td>
<td><a href="https://www.bournscu.coop/">https://www.bournscu.coop/</a></td>
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<tr>
<td>California International Bank**</td>
<td></td>
<td>15606 Brookhurst Street, Westminster, CA 92683</td>
<td>(714) 338-8700</td>
<td><a href="https://www.calibankna.com/">https://www.calibankna.com/</a></td>
</tr>
<tr>
<td>CalWest Bank</td>
<td>400 Spectrum Center Dr. Suite 500, Irvine, CA 92618</td>
<td>(949) 766-3038</td>
<td><a href="https://calwestbancorp.com/">https://calwestbancorp.com/</a></td>
<td></td>
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<tr>
<td>504-Microlender-Community CDC Small Business Finance</td>
<td>3200 Camino Real, Suite 160, Irvine, CA 92602</td>
<td>(800) 611-5170</td>
<td><a href="https://cdcloans.com/">https://cdcloans.com/</a></td>
<td></td>
</tr>
<tr>
<td>Inland Valley Federal Credit Union **</td>
<td>9389 Cherry Ave., Fontana, CA 92335</td>
<td>(909) 822-1810</td>
<td><a href="https://www.ivfcu.org/">https://www.ivfcu.org/</a></td>
<td></td>
</tr>
<tr>
<td>PLP-EXPR</td>
<td>SunWest Bank</td>
<td>2050 Main Street, Suite 300, Irvine, CA 92614</td>
<td>(866) 920-2745</td>
<td><a href="https://www.sunwestbank.com/">https://www.sunwestbank.com/</a></td>
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** Lender requires opening a new account with their institution. IVFCU focuses on businesses in San Bernardino County.

FinTech Companies Accepting PPP Applications

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<th>Company</th>
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<td>Intuit</td>
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<td>Kabbage</td>
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<td>On Deck</td>
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<td>Fundbox</td>
<td><a href="https://fundbox.com">https://fundbox.com</a></td>
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<td>Opportunity Fund</td>
<td><a href="https://www.opportunityfund.org">https://www.opportunityfund.org</a></td>
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<td>BlueVine</td>
<td><a href="https://www.bluevine.com">https://www.bluevine.com</a></td>
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