COVID-19 Small Business Grants and Loans Information
Federal, State and City of Chicago

FEDERAL AID

Coronavirus Aid, Relief and Economic Security (CARES) Act
Senate Bill 3548

Small businesses and non-profits will have access to $350 billion in forgivable loans to help them retain employees and pay for expenses like rent, mortgages, and utilities. There are also changes to rules for expenses and deductions meant to make it easier for companies to keep employees on the payroll and stay open in the near-term.

- **Emergency grants:** The bill provides $10 billion for grants of up to $10,000 to provide emergency funds for small businesses to cover immediate operating costs.
- **Forgivable loans:** There is $350 billion allocated for the Small Business Administration to provide loans of up to $10 million per business. Any portion of that loan used to maintain payroll, keep workers on the books or pay for rent, mortgage and existing debt could be forgiven, provided workers stay employed through the end of June.
- **Relief for existing loans:** There is $17 billion to cover six months of payments for small businesses already using SBA loans.

U.S. Small Business Association Relief

1. Economic Injury Disaster Loan

The U.S. Small Business Administration is offering low-interest federal disaster loans for working capital to Illinois small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). The disaster declaration makes SBA assistance available in the entire state of Illinois.

Who can apply for the low-interest federal disaster loans?
Small businesses, private non-profit organizations of any size, small agricultural cooperatives and small aquaculture enterprises that have been financially impacted as a direct result of the Coronavirus (COVID-19) since Jan. 31, 2020, may qualify for Economic Injury Disaster Loans.

How much is the loan for?
Small businesses may qualify for Economic Injury Disaster Loans of up to $2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

What should the loan be used for?
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. Disaster loans can provide vital economic assistance to small businesses to help overcome the temporary loss of revenue they are experiencing.

What is the interest rate?
The interest rate is 3.75 percent for small businesses. The interest rate for private non-profit organizations is 2.75 percent. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years and are available to entities without the financial ability to offset the adverse impact without hardship.

How do I apply?
Applicants may apply online, receive additional disaster assistance information at https://disasterloan.sba.gov/ela. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

When is the deadline?
The deadline to apply for an Economic Injury Disaster Loan is **Dec. 21, 2020.**

Information you'll want to collect for your loan application:

- SBA Form 5 or SBA Form 5C for sole proprietorships – SBA loan application
- IRS Form 4506T – Tax Information Authorization for the applicant, principals and affiliates
- Complete copies of the most recent Federal Income Tax Return.
- SBA Form 2202 – Schedule of Liabilities
- SBA Form 413 – Personal Financial Statement
- SBA Form 1368 – Monthly sales figures
- Link here to more information on eligibility

2. Paycheck Protection Program

The Paycheck Protection Program is designed to provide a direct incentive for small businesses to keep their workers on payroll by providing each small business a loan up to $10 million for payroll and certain other expenses.

If all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable.
Eligibility

Businesses – including eligible non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors described in the Small Business Act – with 500 or fewer employees may apply. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.

IBA ILLINOIS BEVERAGE ASSOCIATION

3. Debt Relief

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

4. Express Bridge Loan Pilot Program

This pilot program allows SBA Express Lenders authority to deliver expedited SBA-guaranteed financing on an emergency basis for disaster-related purposes to eligible small businesses, while the small businesses apply for and await long-term financing.

Who is eligible?

Businesses affected by a Presidential disaster declaration are eligible to receive expedited financing through an SBA Express lender. After a disaster is declared by the SBA Businesses of all sizes, nonprofits, homeowners, and renters are eligible to apply for an SBA disaster assistance loan.

What can loan funds be used for?

These funds may be used for disaster-related purposes while the business waits for long-term financing through the SBA's direct disaster loan program.

How do businesses apply?

Visit a Business Recovery Center or Disaster Loan Outreach Center in your area or visit disasterloan.sba.gov/ela to apply for a loan. You can also call the SBA customer service center at (800) 659-2955, TTY (800) 877-8339, and ask for an application package. FEMA grant assistance for homeowners or renters is not available under an SBA declaration. If the SBA cannot help you with a loan for all your needs, the SBA will in most cases refer you back to FEMA. If you do not complete an SBA application, you may not be considered for assistance from other agencies.

What is the loan amount? $25,000

What are the terms? Up to seven years

Guarantee: 50%

What information do I need to get started?

- Address of damaged residence or business and contact information
- Insurance information, including type of insurance, policy numbers, and amount received
- Household and/or business income
- Description of disaster-caused damage and losses

Where can I find more information about available SBA resources and services?
For more information about available SBA resources and services, please visit: SBA.gov/coronavirus.
Webinars are available to educate on how to apply for relief: http://sbaillinois.eventbrite.com/

U.S. Small Business Administration - Illinois District Office Contact Information

Address: 500 W. Madison Street, Suite 1150**,** Chicago, IL
Phone: 312-353-4528 | **Fax:** 312-886-5688
Locations: Chicago | Springfield
District Director: Robert S. Steiner
One-on-one assistance via telephone: 312-353-4528
One-on-one assistance via email: illinois.do@sba.gov

STATE AID

Illinois Department of Commerce & Economic Opportunity Emergency Small Business Grants and Loans Assistance

1. Hospitality Emergency Grant Program

To help hospitality businesses make ends meet amid the COVID-19 pandemic, DCEO is launching the Hospitality Emergency Grant Program with $14 million drawn from funds originally budgeted for job training, tourism promotion, and other purposes. Grant funds are available to support working capital like payroll and rent, as well as job training, retraining, and technology to support shifts in operations, like increased pick-up and delivery. Bars and restaurants that generated between $500K and $1M in revenue in 2019 are eligible for up to $25,000, and bars and restaurants that generated less than $500K in revenue in 2019 are eligible for up to $10,000. Hotels that generated less than $8M in revenue in 2019 are eligible for up to $50,000.

Who is eligible?
Bars and restaurants with a valid license to serve food or liquor and who generated revenues of less than $1 million in 2019. Hotels with a valid license (hotels, motels other lodging establishments) and who generated revenues of less than $8 million in 2019.

What can grant funds be used for?
For bars and restaurants, based on the businesses needs identified in the grant application, funds can be used to support working capital (rent, payroll, and other accounts payable), job training (such as new practices related to take out, delivery and sanitation) and technology enabling new operations as well as other costs to implement that technology. For hotels, funds can be used as working capital to support the retention of employees.

How do businesses apply?
Businesses can submit an application online here: Landing Page, English Application, Spanish Application. Applications for awards will be accepted until 5:00pm on April 1st, and winners will be chosen via a lottery.

How much money is available?
$14 million is available under this program. Bars and restaurants that generated less than $500,000 in annual revenue last year will be eligible for up to $10,000. Bars and restaurants that generated between $500,000 and $1M in annual revenue last year will be eligible for up to $25,000. Hotels that generated less than $8 million in annual revenue last year will be eligible for up to $50,000.

How soon will businesses receive funds?

Accion will notify businesses on April 4th if they have received an award. Accion and DCEO are striving to make funds available to awarded businesses within two days of receiving the necessary bank information from an awarded grantee.

2. Downstate Small Business Stabilization Program

To support small businesses in downstate and rural counties across Illinois, DCEO is repurposing $20 million in CDBG funds to stand up the Downstate Small Business Stabilization Program. This Fund will offer small businesses of up to 50 employees the opportunity to partner with their local governments to obtain grants of up to $25,000 in working capital. These grants will be offered on a rolling basis.

Who is eligible?

Local governments can apply on behalf of businesses with 50 employees or less. Only units of local government recognized by the Illinois Constitution and able to support economic development activities on a sufficient scale are eligible to apply for Economic Development grant funding. This includes cities, villages, and counties. Municipalities must not be a HUD direct Entitlement community or be located in an urban county that receives "entitlement" funds. A map of eligible areas of the state can be accessed here, see “Staff Contact Information.”

What can grants be used for?

Grants can be used to support working capital.

How do businesses apply?

Businesses in the eligible areas should work with their local governments to submit applications. Application materials will be posted to the DCEO website on Friday, March 27, 2020.

How much money is available?

Grants of up to $25,000 per business will be available.

How soon will businesses receive funds?

DCEO’s goal is to execute grants within 30 days of application receipt, after which funds will be accessible.

INELIGIBLE COMMUNITIES

Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State’s CDBG funding. In 2019, Illinois had 33 metropolitan cities and eight urban counties named as Entitlements. They are:

Cook County	Madison County	Arlington Heights	DeKalb	Mount Prospect	Rantoul
DuPage County	McHenry County	Aurora	Des Plaines	Naperville	Rockford
Kane County	St. Clair County	Berwyn	Elgin	Normal	Rock Island
Lake County	Will County	Bloomington	Evanston	Oak Lawn	Schaumburg
		Champaign	Hoffman Estates	Oak Park	Skokie
		Chicago	Joliet	Palatine	Springfield
		Cicero	Kankakee	Pekin	Urbana

Urban Counties	Danville	Moline	Peoria	Waukegan
Metropolitan Cities				

3. Illinois Small Business Emergency Loan Fund

DCEO and the Illinois Department of Financial and Professional Regulation (IDFPR) are establishing the Illinois Small Business Emergency Loan Fund to offer small businesses low interest loans of up to $50,000.

Businesses located outside of the City of Chicago with fewer than 50 workers and less than $3 million in revenue in 2019 will be eligible to apply. Successful applicants will owe nothing for six months and will then begin making fixed payments at a below market interest rate for the remainder of a five-year loan term. Starting Friday, March 27th, interested businesses will be able to express interest at a form that will be posted here.

Who is eligible?
Small businesses located outside of the City of Chicago with fewer than 50 workers and less than $3 million in revenue in 2019 can apply. Small businesses within the City of Chicago can apply to a similar loan program here.

What can loan funds be used for?
Loans can be used to support working capital.

How do businesses apply?
Businesses will be able to complete an interest form on this web page on Friday, March 27, 2020.

How much money is available?
Businesses can receive up a low interest loan of up to $50,000 with a 5-year repayment period with no payments due for the first six months.

How soon will businesses receive funds?
Eligible businesses will be invited to submit a full application beginning on April 1. Once submitted, we will strive to make a loan decision within 10 days, and make funds available within two days of receiving bank information from a business.

CITY AID

City of Chicago Emergency Small Business Grants and Loans Assistance
Chicago Small Business Resiliency Fund

The City of Chicago is establishing a $100 million Chicago Small Business Resiliency Fund, which will help to provide small businesses with emergency cash flow during this immediate health crisis. Funds will be provided to eligible businesses as low-interest loans.

The Fund is seeded through $25 million from the City of Chicago, $50 million from the Chicago Community Catalyst Fund, $10 million through Goldman Sachs Urban Investment Group, $1 million from Fifth Third, $250,000 from Clayco and $15 million from other sources. If you are a philanthropic institution or corporation interested in contributing to this fund, please submit your information to resiliency.fund@cityofchicago.org.

Loan applications will be administered through our Community Development Financial Institution (CDFI) partners. Applications for the Chicago Small Business Resiliency Fund will begin to be accepted on March 31, 2020.

The loan terms will follow the guidelines below:

- Repayment Term: Low-interest loans for a term of up to five years.
- Loan Amount: Up to $50,000 but sized based on revenues before the COVID-19 outbreak.
- Loan Proceeds: Proceeds are required to be used for working capital. At least 50% of proceeds should be applied toward payroll and commitment to retain the workforce at 50% of pre-COVID-19 levels.

To be eligible, businesses must meet the following requirements:

- Suffered more than 25% revenue decrease due to COVID-19
- Employ fewer than 50 employees and have gross revenues of less than $3 million in 2019
- Provide a City business address or City business license
- No pre-existing tax liens or legal judgments

In addition, please be prepared to provide the following information:

- Bank statements dating back to October 2019
- Your most recent tax return
- Photo ID (CityKey will be accepted)

How do I apply?

If you are interested, please complete the interest form and a representative will reach out to you as soon as possible.