

FINDING FUNDING NOW

Current and future options for small business capital during the pandemic

Current as of 03.26.20

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ACCION

Our Mission

Accion helps neighborhood entrepreneurs grow. We provide the capital, coaching, and connections small business owners need to create wealth and jobs throughout Illinois and Indiana.

Agenda

What options for emergency capital are available **today**?

- Federal
- State
- City
- Accion

What options for emergency capital will be available **soon**?

- Federal
- State
- City
- Accion

What options for emergency capital are available today?

Federal

- SBA Economic Injury Disaster Loans

State of Illinois

- Hospitality Emergency Grant Program

Accion

- Immediate payment reductions
- Expedited line of credit

SBA Economic Injury Disaster Loans

Basics

- Eligibility: <500 employees with acceptable credit
- Maximum: \$2M
- Rate: 3.75%
- Term: Up to 30 years
- Application: DisasterLoan.sba.gov

Details

- Requires collateral if over \$25K
- Must submit SBA Form 5, IRS Form 4506T, recent tax return, SBA Form 2202, SBA Form 413, SBA Form 1368, 2020 P&L
- Apply directly to SBA, processing times uncertain

Hospitality Emergency Grant Program

Basics

- Eligibility: Restaurants and bars <\$1M, hotels <\$8M
- Maximum: \$25K for F+B, \$50K for hotels
- Rate: Free
- Term: N/A
- Application: us.accion.org/ILgrant

Details

- \$14M in grants overall: \$8M for hotels / \$6M for F+B
- \$10K for F+B <\$500K / \$25K for F+B btw \$500K and \$1M
- \$50K for hotels under \$8M annual revenues
- Must upload license and tax return
- For working capital, training, and technology
- Apply by 4/1, lottery 4/4, disbursements 4/6 (w/ACH and W9)
- Lottery distribution: 1/3 Chicago, 1/3 collar, 1/3 downstate

Accion Expedited Line of Credit

Basics

- Eligibility: IL or IN business owners with clean credit 1/19 to 3/20
- Maximum: Up to \$25K, based on 2020 revenues
- Rate: 9%
- Term: Interest-only year 1, then shift to 2 year term loan
- Application: us.accion.org/chicago

Details

- Max amount will be based on average revenues from January and February business bank statements
- Must have credit report showing on time payments for all lines since 1/19
- Quick application, minimal documentation
- Funding in less than 10 days

What options for emergency capital will be available soon?

Federal

- Keeping Workers Paid and Employed Act (Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)): Paycheck Protection Program

State of Illinois

- Illinois Small Business Emergency Loan Fund

City of Chicago

- Chicago Small Business Resiliency Loan Fund
- TBD Grant program

Accion

- *What we will offer...*

Keeping Workers Paid and Employed Act (Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)): Paycheck Protection Program

Basics

- Eligibility: <500 employees per location, other TBD
- Maximum: 2.5x avg monthly payroll for previous year, up to \$10M
- Rate: up to 4%
- Term: no payments for 6-12 months, full term up to 10 years
- Application: TBD (thru 7a and CA lenders including Accion)

Details

- Loan will be forgiven for compensation expenses (up to \$100K per employee or business owner), rent or mortgage interest, and utility costs incurred for 8 weeks after origination before 6/30
- Loan forgiveness is not taxable
- No “credit elsewhere” test, no personal guarantee, no collateral, no fees
- Includes nonprofits and sole proprietors

*** Pending in Congress – subject to change ***

Illinois Small Business Emergency Loan Fund

Basics

- Eligibility: Outside Chicago, <\$3M, <50 employees
- Maximum: \$50K
- Rate: No payment for 6 months, TBD thereafter
- Term: 5 years
- Application: <https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/EmergencySBAInitiatives.aspx>

Details

- Working capital
- Further info by Friday

Chicago Small Business Resiliency Loan Fund

Basics

- Eligibility: Chicago, <\$3M, <50 employees
- Maximum: \$50K
- Rate: No payment for 6 months, TBD thereafter
- Term: 5 years
- Application: www.surveymonkey.com/r/COVID19Chicago

Details

- Working capital
- Further info by Monday

TBD Chicago Emergency Grant Program

Basics

- Eligibility: TBD
- Maximum: TBD
- Rate: TBD
- Term: TBD
- Application: TBD

Details

- TBD

Accion: what we will offer

Offerings

- Keeping Workers Paid and Employed Act loans (TBD)
- State of Illinois Hospitality Emergency grants
- State of Illinois Small Business Emergency loans (TBD)
- City of Chicago emergency grants (TBD)
- City of Chicago Small Business Resiliency loans
- Accion client payment reductions
- Accion expedited line of credit
- Accion free business coaching

Learn More

For frequent updates from Accion, follow us on social media or online

- Facebook: @AccionServingILIN
- LinkedIn: @AccionChicago
- Web: us.accion.org/chicago

For the next update from Accion on small business capital during the pandemic:

- Email Jackie Blair at jblair@accionchicago.org to join our email newsletter