



Helping Businesses Grow & Succeed



## COVID-19 BRIEFING (3/17/20)



State Designated as Florida's Principal Provider of Business Assistance [§ 288.001, Fla. Stat.]

# Business, Industry and Economic Stabilization (ESF-18)



- **Primary Agency**
  - Florida Department of Economic Opportunity
- **Supporting Agency**
  - Florida Division of Emergency Management
- **Participating Primary State Agencies**
  - CareerSource Florida
  - Department of Agriculture and Consumer Services
  - Department of Business and Professional Regulation
  - Department of Financial Services
  - Department of Management Services
  - Department of Revenue
  - Enterprise Florida
  - Florida SBDC
  - Visit Florida
  - Volunteer Florida
- **Participating Primary Industry Organizations**
  - Florida Restaurant & Lodging Association
  - Florida Retail Federation
- **Participating Industry Support Organizations**
  - Associated Industries of Florida
  - Florida Chamber of Commerce
  - The Florida Council of 100
  - Florida First Capital Finance Corporation
  - Florida Housing Finance Corporation
  - Florida Regional Councils Association
  - Florida Economic Development Council
  - Florida Chapters of the Association of Contingency Planner
  - Manufacturers Association of Florida
  - National Federation of Independent Businesses



The Florida SBDC works with key partners to support small business recovery efforts.



Small Business Disaster Recovery Team



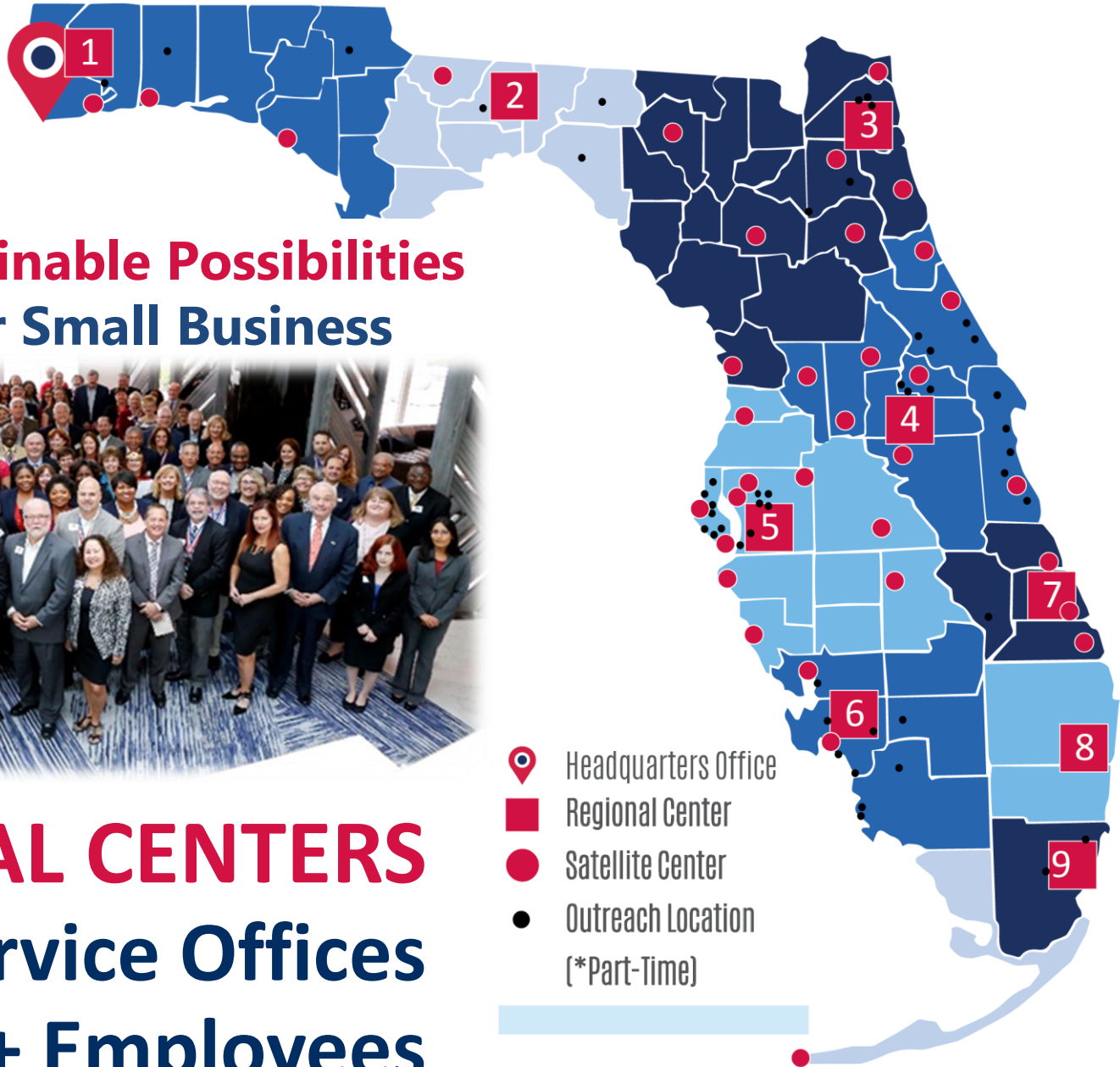


**Where to Get Business Disaster Recovery Assistance?**

**Florida's First  
Responders For  
Small Business**

**[FloridaSBDC.org/disaster](http://FloridaSBDC.org/disaster)**





**Creating Unimaginable Possibilities  
for Prosperity for Small Business**



**9 REGIONAL CENTERS**  
**45 Service Offices**  
**250 + Employees**

# Business, Industry and Economic Stabilization (ESF-18)



- **SERT's Purpose**

- To support the private sector in preparing, responding, and recovering from disasters.

- **Florida SBDC's SERT Responsibilities**

- I. **Assist the state in the assessment of business damages to support federal disaster declarations.**
- II. **Lead the coordination and administration of federal and state business recovery resources.**
- III. **Assist in the administration of the Florida Small Business Emergency Bridge Loan program.**



**I. Assist the state in the assessment of business damages to support federal disaster declarations.**



# Business Damage Assessment FloridaDisaster.Biz

Select Language | A A A



PREPARE

RESPOND

RECOVER

CONTACT

## Business Damage Assessment Survey (\* is required)

Providing information in the fields below submits a survey to determine damage related to disaster impacts in Florida, and does NOT serve as an application for resources, including the Small Business Emergency Bridge Loan. Please click [HERE](#) to apply for the bridge loan. After filling out the survey, federal, state or local agencies may reach out to you through the contact information provided if you indicate your interest.

Surveys are public record and must be made available to the public and media upon request.

Event/Incident: *	-----Select Event----- ▾
Business Name: *	<input type="text"/>
Business Location:	<input type="text"/>
Address 1:	<input type="text"/>
Address 2:	<input type="text"/>
City:	<input type="text"/>
County: *	-----Select County----- ▾
State:	-----Select State----- ▾
Zip Code:	<input type="text"/>
<b>Contact Details:</b>	
First Name: *	<input type="text"/>
Last Name: *	<input type="text"/>
Email: *	<input type="text"/>
Phone:	<input type="text"/>





# Economic Injury Disaster Loan Activation

- Governor DeSantis must request an "SBA Economic Injury Declaration" by certifying:
  - At a minimum, five (5) businesses in the requested area of disaster suffered "substantial economic injury" as a result of the incident.
  - Degree of "Economic Injury" suffered is so severe that financial assistance, at reasonable rates and terms, is not otherwise available.
    - SBA does not have a defined threshold to what constitutes "substantial economic injury." Simply, if the application states it, it is.



# March 13th – Open Business Damage Assessment

- March 17th –  
2,600+ responses

# March 17th – Governor DeSantis request SBA EDIL Declaration

# TBD – Activation of SBA EIDL



**RON DeSANTIS**  
GOVERNOR

March 15, 2020

Director Kem R. Fleming  
U.S. Small Business Administration  
Office of Disaster Assistance  
Field Operations Center East  
101 Marietta Street NW, Suite 700  
Atlanta, GA 30303-2725

Dear Director Fleming:

Pursuant to the provisions of Title 13 C.F.R. Part 123.3, I respectfully request the Administrator of the U.S. Small Business Administration (SBA) issue an Economic Injury Disaster Loan declaration for all of Florida's sixty-seven (67) counties. Although the risk of wide-spread infection currently remains low in Florida, the emergence of COVID-19 and the ongoing impacts of the virus on Florida's local and state economy since March 1, 2020 necessitates this request.

The Florida tourism industry is of critical importance, with the State welcoming tens of millions of visitors annually from out-of-state and overseas. In 2018, Florida received an estimated 124.7 million visitors to include an estimated 14.3 million from out of the country. Overseas travel to Florida accounted for 8.7% of total visitation to the State in 2018.

Businesses are experiencing revenue loss as citizens are not frequenting restaurants, movie theaters, and other social venues. Additionally, in order to discourage large gatherings of people, businesses have responsibly decided to preemptively cancel events, such as festivals, sporting events, and conferences. Large events that have been cancelled include, but are not limited to: Ultra Music Festival, Calle Ocho Festival, National Hockey League (NHL) and National Basketball Association (NBA) seasons, as well as conventions and conferences such as the Global Health Conference and Exhibition.

Currently there are 112 residents affected by COVID-19 in twenty-four (24) counties. The counties with active cases are geographically dispersed and are not centrally located - ranging from the Florida Panhandle, both western and eastern coasts of the peninsula, all the way to Miami-Dade. The messaging of mitigation measures to the local level are not limited to these twenty-four (24) counties, but rather encouraged, received, and fortified state-wide. The spread of COVID-19 in Florida is a rapidly evolving situation affecting small businesses in every county in this state.

**II. Lead the coordination and administration of federal and state business recovery resources.**





State (DEO) directs Florida SBDC to collaborate with SBA to coordinate federal & state business disaster assistance, including establishment of **Business Recovery Centers (BRCs)**.

**COVID-19 (Coronavirus)**

**“Virtual”**

**Business Recovery**

**Centers**





**III. Assist in the coordination and administration of the Florida Small Business Emergency Bridge Loan program, while assisting applicants with SBA Business Disaster Loan process.**





# Florida Small Business Emergency Bridge Loan Program

## *What is a Bridge Loan?*

- **Short-term, interest-free** working capital intended to “**bridge the gap**” between the time a disaster hits and when a business has secured longer-term recovery assistance.
- **Provides a short-term loan** of State of Florida public funding – It is **not** a grant and must be repaid!
- **Administered by** the State of Florida Department of Economic Opportunity in partnership with and assisted by Florida SBDC Network and Florida First Capital Finance Corp.





# Florida Small Business Emergency Bridge Loan Program

## COVID-19

**March 9, 2020**

- Governor DeSantis Declares State of Emergency

**March 13, 2020**

- State opens Business Damage Assessment

**March 16, 2020**

- Governor DeSantis Activates the Florida Small Business Emergency Bridge Loan Program

**March 17, 2020**

- Governor DeSantis submits application for activation of SBA EDIL program



[FloridaSBDC.org/locations](https://FloridaSBDC.org/locations)



# Florida Small Business Emergency Bridge Loan Program

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[FloridaSBDC.org/locations](https://FloridaSBDC.org/locations)

# State Emergency Bridge Loan Basics

- **Appropriation**
  - \$50 M
- **Application Deadline**
  - May 8, 2020 (60 days from Executive Order)
- **Loan Term**
  - 1 Year (365 days)
- **Interest**
  - Interest-free for the term of the loan (1 Year)
- **Loan Amount (Max)**
  - \$50,000 per Business
    - Loans of up to \$100,000 may be made in special cases
- **Limitation**
  - Only one loan may be made per Eligible Business





# State Emergency Bridge Loan Basics

- **Applicant**
  - Loans may only be made to individual(s) who own, individually or collectively, at least 51% of an Eligible Business. The Eligible Business must serve as guarantor for the loan.
- **Use of Proceeds**
  - A borrower will be required to sign an agreement that proceeds of the loan will be used **only** for purposes of maintaining or restarting the business in the designated area. Use of proceeds to pay off debts already incurred for qualifying business maintenance or restart purposes may be authorized on a case-by-case basis.
- **Collateral**
  - None – Unsecured



# State Emergency Bridge Loan Basics

- **Sources of Repayment:**
  - A borrower will be required to certify that the proceeds of anticipated claims, other loans applied for or to be applied for, or financial assistance grants the borrower receives after receipt of the loan shall be applied to the loan and restricted from any other use by the borrower until full satisfaction of the loan has been made.
- **Repayment:**
  - Loans must be repaid in full by the maturity date of the established term.
- **Consequences of Default:**
  - 12% per annum until the loan is repaid in full
  - Reported default and referred to collection agency
  - Collection agency will charge collection agency fee as a percentage of outstanding balance due and may report loan default to credit reporting agencies.
  - Borrower responsible for the full amount of the loan balance principle, accrued interest and collection agency fee.



# Eligible Businesses

1. Must be a for-profit, privately held small business that maintains a place of business in the state of Florida.
2. Must have been established prior to declaration.
3. Must be physically located in a designated disaster county.
4. Must have **two (2) to one hundred (100) employees.**

Employees are defined as individuals who receive paid wages or salary which employment taxes (e.g. FICA, FUTA) and income taxes are withdrawn and remitted to the IRS, as evidenced by business tax returns filed, i.e. IRS Form 940, Employer's Annual Federal Tax Return, IRS Form 941, Employer's Quarterly Federal Tax Return or IRS Form W-3, Transmittal of Wage and Tax Statements.

For purposes of eligibility of EBL program, independent contractors (also known as 1099 employees) and leased employees also qualify as employees for this loan program.

5. Must have paid previous state emergency bridge loans in full.



# EBL **Ineligible** Businesses

1. A business engaged in any illegal activity.
2. A business deriving more than one-third of gross annual revenue from legal gambling activities.
3. A business that present live performances of an indecent sexual nature or derive directly or indirectly more than 2.5 percent of gross revenues through the sales of products and services, or the presentation of any depictions or displays, of an indecent sexual nature, or the presentation of any depiction or displays, of an indecent sexual nature.
4. A business whose primary purpose includes facilitating polyamorous relationships, massage parlors, hot tub facilities, or escort services.





# How we help!

- answer applicant questions and expectations about the loan program
- pre-screen applicants for program eligibility
- provide assistance in completion of the application package
- organize and facilitate bridge loan committees
  - SBDCs do NOT participate in the loan decision making process
- act as primary point of contact for applicant throughout application process
- if approved, facilitate the closing and distribution of the loan
- Provide ongoing professional business continuity and strategic planning throughout recovery





# 5 Step Process

for the Florida Small Business  
Emergency Bridge Loan Program



**1. Determine Loan Eligibility**  
by reviewing  
[www.FloridaDisasterLoan.org](http://www.FloridaDisasterLoan.org)



**2. Download  
Application Form**  
review required information



**3. Gather Required Documents**  
including supporting materials



**4. Complete & Sign  
Application Form**



**5. Find & Contact your Local Florida SBDC**  
for submission details by visiting  
[www.FloridaSBDC.org/locations](http://www.FloridaSBDC.org/locations)

Your local Florida SBDC has the resources and expertise  
to assist you complete the application at no cost.



# Loan Application & Details

 <b>SMALL BUSINESS EMERGENCY BRIDGE LOAN APPLICATION</b>	
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY	
Disaster Event: COVID-19 Application Deadline: May 8, 2020	
<b>LOAN AMOUNT REQUESTED:</b> \$50,000 maximum. Loans of up to \$100,000 may be made in special cases as warranted by the need of the business.	<b>APPLICATION DATE:</b>
<input type="checkbox"/> Economic Injury (Loss of Sales or Revenues) <i>Attach written justification of economic loss or injury caused as a result of or period declared disaster, e.g. sales or income compared to previous year compared to current period.</i>	
<b>EXPECTED SOURCE OF REPAYMENT:</b> <input type="checkbox"/> SBA Disaster Loan(s) <input type="checkbox"/> Other Federal Aid <input type="checkbox"/> Insurance Proceeds <input type="checkbox"/> Bank or Other Loan	
<p style="text-align: center;"><b>ONLY ELIGIBLE AND COMPLETED APPLICATIONS WITH REQUIRED SUPPORTING DOCUMENTATION WILL BE ACCEPTED.</b></p> <p style="text-align: center;"><b>PLEASE READ ENTIRE FORM BEFORE SUBMITTING</b></p> <p>For assistance in completing the application, contact your local Florida Small Business Development Center (SBDC) office. To locate your local Florida SBDC visit <a href="http://www.FloridaSBDC.org/locations">www.FloridaSBDC.org/locations</a> or contact us toll-free (866) 737-7232.</p> <p>To submit completed applications and required documents, send by mail or courier to:</p> <p>Florida SBDC Network Headquarters C/O Florida Emergency Bridge Loan Process 220 West Garden Street, Suite 301 Pensacola, Florida 32502</p> <p>OR</p> <p>Fax: (850) 696-2693</p> <p>Applicants may submit applications and required documents to <a href="mailto:Disaster@FloridaSBDC.org">Disaster@FloridaSBDC.org</a>.</p>	

## FloridaDisasterLoan.org





SBDC assist small  
business to secure a  
Florida Small Business  
Emergency Bridge Loan  
(short-term solution)



**THEN**



apply for an  
SBA Business Disaster  
Loan  
(long-term solution)



# U.S. SBA Disaster Loan Assistance



- *Serves to* aid, counsel, assist, and protect the interests of small businesses
- Plays a critical role in assisting victims of natural and other declared disasters
- SBA disaster loans are the primary Federal disaster assistance loan program for private sector, non-agricultural businesses impacted by disasters.



# COVID-19

## U.S. SBA Economic Injury Disaster Loan



One type of SBA business disaster loans for COVID-19:

- ~~– Business Physical Disaster Loans~~
- **Economic Injury Disaster Loans**

**Physical Damage Disaster Loans:** Provides up to \$2 million in funds to businesses and private non-profit organizations of any size in the declared disaster area that have sustained physical damage to their property. Funds can be used to repair or replace business property to pre-disaster conditions.

**Economic Injury Disaster Loans:** Provides up to \$2 million in working capital loans for small businesses and private non-profit organizations in the declared disaster area that suffer economic injury as a direct result of a disaster. Assistance is provided regardless of whether property was damaged.

# COVID-19

## U.S. SBA Economic Injury Disaster Loan

- **Direct loans** from the SBA
- **Applicants must:**
  - suffered and demonstrate “**substantial economic injury**” directly attributed to event
    - unable to meet its obligations and to pay ordinary and necessary operating expenses. EIDLs provide the necessary working capital to help small businesses survive until normal operations resume after a disaster.
  - not have credit available elsewhere
  - good credit history acceptable to SBA
  - demonstrate ability to repay all loans
  - pledge collateral where it is available
- **Loan amount** up to \$2 M (higher for “large” employers)
- **Interest rate** of 3.75 percent
- **Loan terms** up to a maximum of 30 years
- **Installment payment** amount and corresponding maturity—based on borrower’s ability to repay





# SBA Loans | FAQs

**Q: What are the typical issues resulting in a decline?**

**A:** The most common reason for decline is **lack of repayment ability** (i.e. business does not have sufficient cash flow to support current and/or additional debt). Unsatisfactory credit history could also be a factor.

**Q: If an applicant is declined for a disaster loan, do they have the opportunity to appeal?**

**A:** Yes, applicants have **up to 6 months** from date of the **decline letter** to seek reconsideration of SBA's initial decline decision. There is also an opportunity to appeal the second decline decision.



# SBA Loans | FAQs

**Q: Are borrowers required to pay interest on the entire approved SBA disaster loan amount or just the portion that has been disbursed?**

**A:** SBA disaster loans are **simple interest loans**. Interest is calculated on the outstanding principal balance of the disbursed loan amount.



# SBA Loan Application Deadlines

- **DO NOT MISS THE APPLICATION DEADLINE OR WAIT UNTIL THE LAST MINUTE TO APPLY!**
- If there is a likelihood client may need funding, encourage them to apply before the deadline.
  - If approved:
    - They do not have to move forward.
    - They do not have to draw down the full approved loan amount.





*The Three Step Process:*  
**Disaster Loans**

<https://disasterloan.sba.gov>

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**About Disaster Loans**

The U. S. Small Business Administration (SBA) provides low-interest, long-term disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace uninsured/underinsured disaster damaged property. SBA disaster loans offer an affordable way for individuals and businesses to recover from declared disasters.

**STEP 1:**  
Apply for Loan

**STEP 2:**  
Property Verified  
and  
Loan Processing  
Decision Made

**STEP 3:**  
Loan Closed and  
Funds Disbursed

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**Seek assistance from local SBDC office**

**BEFORE**  
applying

A light blue silhouette of a city skyline with various buildings, palm trees, and a windmill, serving as a background for the text.

1

**Florida SBDC at UWF**  
(850) 474-2528 | [sbdc@uwf.edu](mailto:sbdc@uwf.edu)

Serving the following counties: Bay, Calhoun, Escambia, Gulf, Holmes, Jackson, Okaloosa, Santa Rosa, Walton, and Washington County

2

**Florida SBDC at FAMU**  
(850) 599-3407 | [sbdcfamu@gmail.com](mailto:sbdcfamu@gmail.com)

Serving the following counties: Franklin, Gadsden, Jefferson, Leon, Liberty, Madison, Taylor, and Wakulla County

3

**Florida SBDC at UNF**  
(904) 620-2476 | [smallbiz@unf.edu](mailto:smallbiz@unf.edu)

Serving the following counties: Alachua, Baker, Bradford, Citrus, Clay, Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Marion, Nassau, Putnam, St. Johns, Suwannee, and Union County

4

**Florida SBDC at UCF**  
(407) 420-4850 | [sbdc@ucf.edu](mailto:sbdc@ucf.edu)

Serving the following counties: Brevard, Flagler, Lake, Orange, Osceola, Seminole, Sumter, and Volusia County

5

**Florida SBDC at USF**  
(813) 905-5800

Serving the following counties: DeSoto, Hardee, Hernando, Highlands, Hillsborough, Manatee, Pasco, Pinellas, Polk, and Sarasota County

6

**Florida SBDC at FGCU**  
(239) 745-3700

Serving the following counties: Charlotte, Collier, Glades, Hendry, and Lee County

7

**Florida SBDC at IRSC**  
(772) 462-7296

Serving the following counties: Indian River, Martin, Okeechobee, and St. Lucie County

8

**Florida SBDC at FAU**  
(954) 762-5235

Serving the following counties: Palm Beach and Broward County

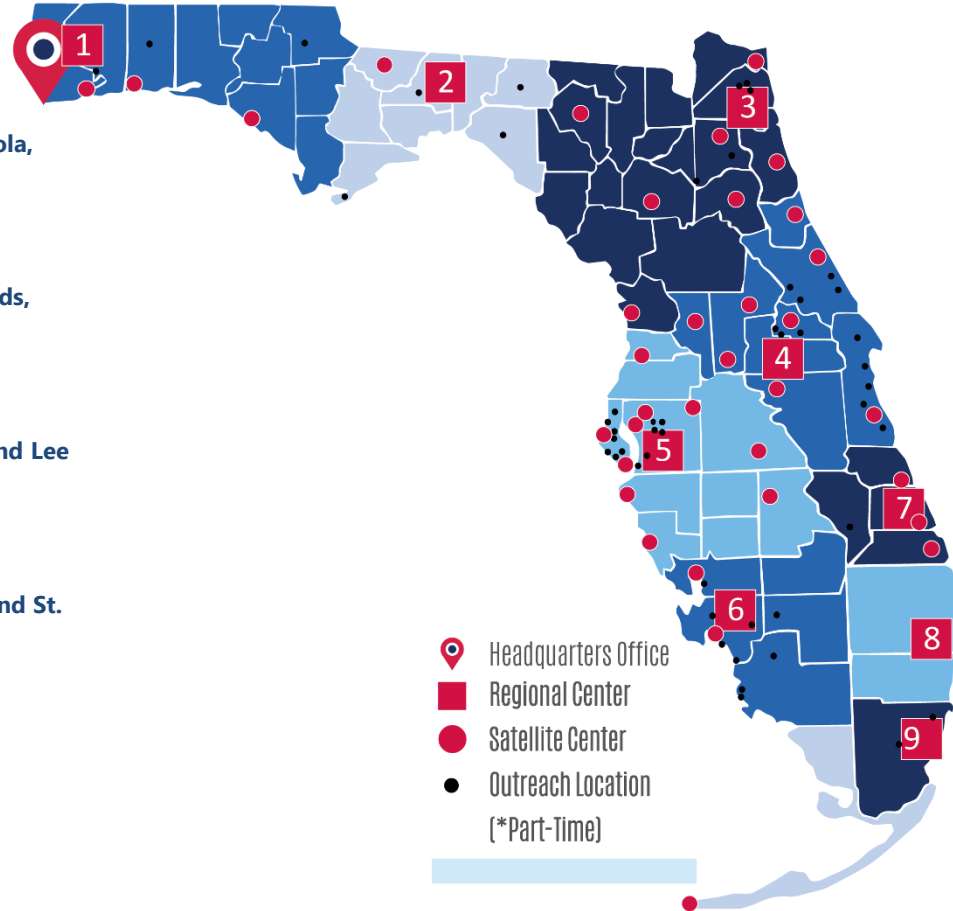
9

**Florida SBDC at FIU**  
(305) 779-9230

Serving the following counties: Miami-Dade and Monroe County



[www.FloridaSBDC.org/locations](http://www.FloridaSBDC.org/locations)





# Questions? Let's Talk.

(850) 898-3479 | [Michael.Myhre@FloridaSBDC.org](mailto:Michael.Myhre@FloridaSBDC.org)

## FloridaSBDC.org

Consulting • Training • Information • Special Programs

A statewide partnership program nationally accredited by the Association of America's SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network's lead host institution. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA or other funding partners. Florida SBDC services are extended to the public on a nondiscriminatory basis. Language assistance services are available for individuals with limited English proficiency.