



## Business Crisis Toolkit:

*The Basics of the SBA's Disaster Loan Products*

*"Luck is what happens when preparation meets opportunity."*

*-Seneca Roman philosopher (5 BC-65 AD)*



Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.

# Jason Nitschke; MA, EDFP

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Vice President/Regional Director - Great Falls SBDC

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## Education

- 1997 -- University of Montana -- BA Journalism/Pol. Sci.
- 2002 -- Hawaii Pacific University -- MA Communications

## Certifications

- 2017 -- Certified Export Counselor
- 2017 -- Certified Profit Mastery Facilitator
- 2015 -- Economic Development Finance Prof. (EDFP)
- 2015 -- Accredited Small Business Consultant (ASBC)
- 2015 -- Certified Business Advisor (GrowthWheel)

## Entrepreneurship

- 2000-2002 -- JNitschke Photography; Denver, CO
- 2011-2012 -- Carondelet Estate Services, LLC; St. Louis, MO

## Bureaucracy

- 2013-2014 -- Analyst, State of Illinois



# Agenda



## Paycheck Protection Program

This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.

[Learn more](#)



## EIDL Loan Advance

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

[Learn more](#)



## SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.

[Learn more](#)



## SBA Debt Relief

The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

[Learn more](#)

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

## Disaster assistance

*The SBA provides low-interest disaster loans to help businesses and homeowners recover from declared disasters.*

[APPLY FOR ASSISTANCE](#)

# Appropriations Notices:

As of  
4/15/2020

← Back to Coronavirus Relief Options

**Coronavirus Relief Options**

- Paycheck Protection Program
- Economic Injury Disaster Loan Emergency Advance**
- SBA Express Bridge Loans
- SBA Debt Relief

## Economic Injury Disaster Loan Emergency Advance

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

**Content**

- ELIGIBLE BUSINESSES
- COPIES
- FAQS

### Notice: Lapse in Appropriations

The SBA is currently unable to accept new applications for the Economic Injury Disaster Loan (EIDL) CFED or related assistance program providing EIDL Advances based on available appropriations funding.

Applicants who have already submitted their applications will continue to be processed on a first come, first served basis.

As of  
4/16/2020

← Back to Coronavirus Relief Options

**Coronavirus Relief Options**

- Paycheck Protection Program**
- Economic Injury Disaster Loan Emergency Advance
- SBA Express Bridge Loans
- SBA Debt Relief

## Notice: Lapse in Appropriations

The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding.

### Other Assistance

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# The Top Line Takeaways

Pivot

Market

Communicate Honestly

Market

Preserve Cash

Operations

*Remember: Every Decision Made Impacts Financials*



CARES ACT

# PAYCHECK PROTECTION PROGRAM LOAN



# Who is Eligible to Apply for the PPP?

- Any for-profit, 501(c)(3) non-profit organization, 501(c)(19) veterans organizations, faith-based organizations, tribal business concerns
- Meet size standards
- In operations on or before 02/15/2020
- Sole Proprietors, independent contractors, and self employed persons
- Some restrictions for operations with gaming revenue have been lessened





# How to Apply:

- SBA Participating Lender
  - <https://www.sba.gov/paycheckprotection/find>
- Provide Proof of Payroll Costs
  - <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>



## Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407  
Expiration Date: 09/30/2020

<b>Check One:</b> <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other		<b>DBA or Tradename if Applicable</b>	
<b>Business Legal Name</b>			
<b>Business Address</b>		<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>
			( ) -
		<b>Primary Contact</b>	<b>Email Address</b>

Average Monthly Payroll: \$	\$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$	Number of Employees:	_____
Purpose of the loan (select more than one):					
<input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____					

### Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

*If questions (1) or (2) below are answered "Yes," the loan will not be approved.*

Question	Yes
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>

# Paycheck Protection Program

**(PPP)** – based on IFR dated 4/15/2020 & FAQs as of 4/16/2020

<b>USES OF FUNDS</b>	75% - Payroll, most officer compensation, payroll expenses 25% - Mortgage interest, rent/lease, utilities
<b>TERMS</b>	100% guaranty; Up to \$10 million; 1% interest rate
<b>FORGIVABLE</b>	YES; “the full principal amount of the loans may qualify for loan forgiveness;” if applied to eligible uses within 8-weeks of first loan disbursement
<b>MATURITY</b>	2 years
<b>FIRST PAYMENT DUE</b>	Deferred 6 months

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# What are Eligible Uses of PPP?

- Compensation to employees and owners up to \$100k in the form of:
  - **Salary, wages, commissions, draws, or similar compensation (except K-1 distributions)**
- Cash Tips (Based on the employer records of past tips or in the absence of such records)
- Vacation, parental, family, medical or sick leave, benefits, group health insurance premiums, retirement
- Allowance for separation or dismissal
- State and Local taxes assessed on compensation of employees
- Mortgage Interest (NOT Mortgage prepayments or principal payments)
- Interest Payments on any other debt obligation incurred before February 15, 2020
- Rent/Lease Payments
- Utility Payments

# Will my Loan be Forgiven?



- Forgiven up to 100% of principal, **if** used for eligible costs
- At least 75% of the forgiven amount must be for payroll
- Forgiveness is based on the employer maintaining or quickly rehiring and maintaining salary levels
- Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease
- **———— A COUPLE FINAL NOTES ON PPP ————**
- No collateral or personal guarantees are required
- Neither the government nor lenders will charge small businesses any fees

# Economic Injury Disaster Loan (EIDL)

## Who is Eligible to Apply?

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern
- That meets the SBA industry size standard if more than 500
- Sole proprietors, independent contractors, and self-employed persons



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# Economic Injury Disaster Loan (EIDL)



<b>USES OF FUNDS</b>	To meet financial obligations and operating expenses that could have been met had the disaster not occurred
<b>TERMS</b>	Up to \$2 million – 3.75% for businesses; 2.75% for non-profits; advance up to \$10,000 (\$1000 per employee)
<b>FORGIVABLE</b>	NO – EIDL Loan YES – EIDL Advance
<b>MATURITY</b>	30 years
<b>FIRST PAYMENT DUE</b>	Deferred 1 year

# How to Apply:

- Directly at SBA.gov
- <https://www.sba.gov/page/disaster-loan-applications>



OMB Control #3245-0406  
Expiration Date: 09/30/2021

## Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

### COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



#### STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus [COVID-19]. The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

#### ELIGIBLE ENTITY VERIFICATION

##### Choose One:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c)(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

parts. You are not required to respond to

# FAQ: Can I Apply For PPP and EIDL?

PAYCHECK PROTECTION PROGRAM (PPP)	USES	ECONOMIC INJURY DISASTER LOAN (EIDL)
payroll and approved operating expenses		working capital
no collateral required	COLLATERAL	no collateral on loans up to \$25k SBA will take best lien available (excluding real estate) on loans over \$25k
up to <b>100%</b> TO with approval	FORGIVENESS	<b>0%</b> is eligible for forgiveness of loan up to \$10k advance grant
<b>2.5X</b> average monthly payroll for the prior 12 months	AMOUNT	up to 6 months of operating expenses not to exceed <b>\$2 million</b>
<b>1%</b> on unforgiven portion <b>2</b> -year fixed note	TERMS	<b>3.75%</b> small businesses <b>30</b> <b>2.75%</b> non-profits -year fixed note
no payments for first <b>6 months</b>	DEFERMENT	no payments for first <b>12 months</b>
<ul style="list-style-type: none"> <li>all for-profits</li> <li>private non-profits</li> </ul>	ELIGIBLE ENTITIES	<ul style="list-style-type: none"> <li>sole proprietors, LLCs, &amp; corporations</li> <li>small agriculture coops and aquaculture</li> <li>private non-profits</li> </ul>
<b>SBA APPROVED BANK</b>	APPLY	<b>SBA.GOV/DISASTER</b>



# SBA Express Bridge Loan



- Current relationship with an SBA Express Lender
- Access up to \$25,000 quickly
- To help overcome the temporary loss of revenue
- Can be a term loan or used to bridge the gap while applying for a direct EIDL
- If a small business has an urgent need for cash while waiting for decision and disbursement on an EIDL

# SBA Express Bridge Loan



## **Terms**

- Up to \$25,000 – “Fast turnaround”
- Maximum EBL loan term is 7 years
- Maximum Allowable Interest Rate: up to 6.5% over Prime
- Some fees may be charged
- Will be repaid in full or in part by proceeds from the EIDL loan
- Lenders are not required to take collateral

## **Eligibility**

- All small businesses adversely impacted by COVID-19
- Credit Not Available Elsewhere
- Adverse Impact
- Within 6 months of eligibility period (March 13, 2020-September 13, 2020)

# SBA Express Bridge Loan



## Credit & Underwriting

- Streamlined underwriting process
- Credit Scores (business & personal for each guarantor)
- IRS Transcripts
- Existing Banking Relationship
- Character evaluation (incarcerated, parole, indictment)
- No delinquent federal debt or prior loss

# Resources Available

The screenshot shows the website header with the logo and navigation links: WHY GREAT FALLS?, BUSINESS SERVICES, FINANCING, GFDA INVESTORS, DATA, SITES. Below the header is a 'Jump to a section:' area with four blue buttons: Crisis Toolkit for Businesses, Reformation Toolkit for Businesses, Business Resiliency Guide, and Contact an Advisor. The main content area is titled 'CRISIS TOOLKIT FOR BUSINESSES' and features three columns of text and lists.

**CRISIS TOOLKIT FOR BUSINESSES**

**Five Ways to Control the Things You Can**  
Managing your cash is always important, but during a crisis it's more than important – it's a necessity. In this section, we address:

1. Expenses
2. Debt
3. Rent
4. Vendor payment terms
5. Lines of credit
6. Cash flow

**Five Alternatives to Bring in Cash**  
Now is a good time to evaluate additional revenue streams to generate cash. In this section, we address:

1. Existing company assets
2. Leveraging technology.
3. Merchandise
4. Invoicing
5. Offering discounts

**Five Marketing and Promotion Options**  
During these crazy times being transparent and speaking to your customers is as important as ever. In this section, we address:

1. Communicate strategy.
2. Calls to action.
3. Gift certificate offers.
4. Pre-Payment for goods/services.
5. Shifting focus to existing customers.

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# GFDA Business Stabilization and Recovery Loan

- Gap loan
- Mission focused: growth, diversification, and high wage jobs
- Starts with phone interview then short application
  - Financials/Tax Returns
  - Credit Score
  - Application
  - Work with Small Business Development Center Coach
- Terms
  - Four years at 4 % interest
  - No payment for first 6 months then 6 months interest only
  - 1% origination rolled into amortization
  - 3-year amortization
  - No early payoff penalty

**Call Jolene**  
**406.750.4481**

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# Resources Available

- U.S. Small Business Administration: <https://www.sba.gov/>
- Governor's Coronavirus Task Force: <https://covid19.mt.gov/>
- America's SBDC: <https://americassbdc.org/coronavirus-information/>
- MT Small Business Development Center Network: <https://sbdc.mt.gov/>
- MT Department of Labor & Industry: <http://dli.mt.gov/employer-covid-19>

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# Contact Trusted Advisors

Banker

Accountant

Insurance

Lawyers

Business Advisors



**Rich Gannon**

SBDC Rural Business Advisor  
Cell (406) 836-2078

[RGannon@GrowGreatFalls.org](mailto:RGannon@GrowGreatFalls.org)

Rich is on the front lines of our business coaching and training services to existing businesses and startup entrepreneurs in Cascade, Fergus, Glacier, Judith Basin, Park, Teton, and Toole counties.

[Connect with me on LinkedIn!](#)



**Barnett G. Sporkin-Morrison**

Food & Ag Development Center Director  
Cell (406) 750-3286

[Barnett@GrowGreatFalls.org](mailto:Barnett@GrowGreatFalls.org)

Barnett leads our efforts to grow and diversify food, ag and bioprocessing across the region. He also supports efforts to increase and diversify agricultural production in the Golden Triangle.



**Tyler Menzales**

Content Marketing Director/SBDC Business Advisor  
Cell (406) 590-1539

[TMenzales@GrowGreatFalls.org](mailto:TMenzales@GrowGreatFalls.org)

Tyler oversees GFDA's content marketing efforts. He also counseles small business owners to innovate their digital presence and marketing efforts.



**Lillian Sunwall, CPP**

Vice President Business Strategy

Cell (406) 750-1253

[LSunwall@GrowGreatFalls.org](mailto:LSunwall@GrowGreatFalls.org)

Lillian leads our Procurement technical Assistance Center helping businesses with government contracting. She leads our brownfield assessment and cleanup efforts, and also staffs the Great Falls AgriTech Park.

[Connect with me on LinkedIn!](#)



**Jason Nitachke, MA, EDFP**

Vice President/Small Business Development Center Regional Director  
Cell (406) 750-0314

[JNitachke@GrowGreatFalls.org](mailto:JNitachke@GrowGreatFalls.org)

Small business and entrepreneurial development are important to the GFDA. Jason leads our business coaching team helping entrepreneurs start and grow.



**Shannon Clancy**

Government Contracting Advisor

Cell (406) 590-1184

[SClancy@GrowGreatFalls.org](mailto:SClancy@GrowGreatFalls.org)

Shannon splits her duties between our Procurement Technical Assistance Center (PTAC), helping businesses with government contracting, and our business development team handling our various company and contact databases.

**MONTANA SMALL  
BUSINESS DEVELOPMENT  
CENTER NETWORK**



<https://sbdc.mt.gov/>

**Regional Offices:**

[Billings Center:](#) 406.254.6014

[Bozeman Center:](#) 406.994.5885

[Butte Center:](#) 406.533.6780

[Great Falls Center:](#) 406.750.0314

[Havre Center:](#) 406.399.1557

[Helena Center:](#) 406.447.6376

[Kalispell Center:](#) 406.756.3836

[Miles City Center:](#) 406.874.6168

[Missoula Center:](#) 406.243.4770

[Wolf Point Center:](#) 406.653.2590



# Stay Connected



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## Please Share Ideas With Us

Email me at [JNitschke@GrowGreatFalls.org](mailto:JNitschke@GrowGreatFalls.org)