

USA — Loans & Grants Coronavirus / COVID-19

We hope this guide can help fellow startups and SMEs to more easily navigate and leverage the support offered by the federal government, private companies and the states of New York, California, and Delaware during this difficult time.

As a response to the COVID-19 crisis, a wide array of loans and grants have been made available at the federal and state level for businesses of different sizes and industries. Due to the rapidly changing circumstances caused by the outbreak of the pandemic, the landscape of financial support is constantly evolving. At the time of writing, a [\\$2 trillion coronavirus relief bill](#), the largest stimulus package in US history, has been passed by the Senate and is waiting passage in the House. \$500 billion will go to a Treasury Department lending facility to support US companies and \$350 billion will be allocated to small businesses. The bill contains clauses about existing business loans being forgiven, and grants being made available to keep employees on the payroll for up to 8 weeks.

This document focuses on the forms of financial support that are currently available to most small businesses in the US. Loans or grants that are available to niche-segments are left out of scope. Each state offers its own financial programs to small businesses. This document looks specifically at programs available on a federal level, and in New York, California and Delaware.

Disclaimer: The information compiled in this document is meant to be a helpful resource for fellow small businesses in times of crisis. We do not guarantee that the information provided is complete and accurate. Nothing in this document is meant to be taken as legal advice. Due to the situation evolving so rapidly, the information contained may be out of date by the time you are reading the document. If you have any feedback, please contact us at: business@datawallet.com.

A. Loans

1. Federal Government

1.1 [Economic Disaster Loan Program](#)

For whom:

- Small businesses located in states that have requested access to the program (examples of states who have been granted access: Delaware, New York, and California)

Amount:

- Up to \$2 million

Term:

- Up to 30 years, (decided on a case-to-case basis, based on borrower's ability to repay)

Interest rate:

- 3.75% for small businesses. You can check whether your business is defined as 'small' on the SBA [table of size standards](#) or by using the provided [questionnaire](#).

Prerequisites:

- Funds can only be used to cover bills that can't be paid due to the disaster's impact (fixed debts, payroll, accounts payable, etc.).

Application process:

- [Online application form](#)
- For questions, companies can contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov

Pros	Cons
High financing amount possible	Not available to all states (yet), needs to be checked on a per-state basis
Relatively low interest rate (3.75%)	Funds may only be used to pay bills that can't be paid due to corona impact

1.2 [The Main Street Business Lending Program](#)

Not available yet. Program details have not been made available yet. This program will complement the efforts by the SBA.

For whom:

- Small to midsize businesses

Further details to become available in the upcoming days/weeks.

2. New York

2.1 [NYC Small Business Continuity Loan Fund](#)

For whom:

- New York City businesses ('located within the five boroughs of New York City')
- Less than 100 employees

Amount:

- Up to \$75,000

Interest rate:

- 0%

Prerequisites:

- Demonstrate ability to repay the loan.
- At least 25% decrease in revenue caused by the corona outbreak.
- Have no outstanding tax liens or legal judgements.

Application process:

Pre-application can be done [online](#). Companies will need to provide proof to demonstrate the required 25% decrease in sales revenue (point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit & loss statements).

Pros	Cons
0% interest	Relatively low financing amount (up to \$75,000) Companies need to prove a decrease in sales revenue of at least 25% caused by the corona outbreak

3. Delaware

3.1 [Hospitality Emergency Loan Program \(HELP\)](#)

For whom:

- Delaware restaurants, bars, hotels, and other hospitality related businesses

Amount:

- \$10,000 per month

Term:

- 10 years, with payment deferred for 9 months

Interest rate:

- 0%

Prerequisites:

- Funds may only be used for rent, utilities, and unavoidable costs. Funds may not be used for personnel costs.
- Eligible businesses must have been in operation for at least 1 year.
- Annual revenue below \$1.5 million.
- Only for hospitality-connected industries.
- Businesses must have been current for at least 80% of payments over the past 12 months, and not past due on its most recent payment on any bill for which it is applying for relief (proof must be submitted).

Application process:

- [Online application process](#). Companies can email business@delaware.gov to learn if they qualify or call 302-739-4271 with additional questions.

Pros	Cons
0% interest	Funds may only used for limited purposes
10 year term	Only hospitality businesses that meet the strict requirements are eligible

4. California

4.1 [City of LA micro loan program](#)

For whom:

- Microenterprises in the City of LA that are low-income or will retain low-income jobs
- Small businesses in the City of LA that will retain low-income jobs
- Primary business operations in LA

Amount:

- \$5,000–\$20,000

Term:

- 6 months to 5 years

Interest rate:

- 0% for a term of 6 months to 1 year
- 3%–5% for a term of up to 5 years

Prerequisites:

- Businesses must have a Business Tax Registration Certificate with the City of Los Angeles' Office of Finance that was filed before March 1, 2020.
- Principal business owner(s) must have reasonable and responsible personal credit history and an acceptable explanation for any derogatory marks. Bankruptcies and debt write-offs must be at least 12 months old.
- Historical profits must have been sufficient to service the loan and have been impacted by the COVID-19 outbreak.
- Loan may only be used for reasonable and eligible working capital expenses.



- All business owners who hold 20% or more ownership must guarantee the loan.

Note: In case of a weak loan request, the program offers relaxed underwriting. A co-signer with reasonable credit and sufficient income to repay the loan needs to be included as a guarantor.

Application process:

- [Online application form](#)
- For more information, companies can contact emergencyloans@lacity.org or call 213-744-7130.

Pros	Cons
0% interest for short-term loans	All business owners who hold 20% or more ownership must guarantee the loan
	Strict requirements with regards to credit history of principal business owners and finances of the company

4.2 [California Small Business Loan Guarantee Program & Disaster Relief Loan Guarantee Program](#)

For whom:

- Small businesses (1-750 employees)
- Located in California
- Needing assistance in overcoming a lack of liquidity caused by the coronavirus

Amount:

- Up to \$20 million

Interest rate:

- Loan interest rates negotiated between lender and borrower

Prerequisites:

- Funds may only be used for start-up costs, new construction, inventory, working capital, export financing, franchise fees, business expansion, lines of credit, gap financing, agriculture, or disaster relief.

Guarantee:



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- California IBank partners with [Financial Development Corporation \(FDC\) partners](#) throughout the state that assists businesses in securing a 80-95% guarantee on their bank loans.
- Maximum guarantee of \$1 million, guaranteed up to 7 years.

Application process:

- Contact one of the [Financial Development Corporations \(FDCs\)](#)

Pros	Cons
Funds may be used for a wide array of use cases	Interest rates unclear, to be determined between borrower and lender
Guarantee of up to \$1 million can be taken over by an FDC partner	
High financing amount possible	

4.3 [California Capital Access Program](#) (CalCAP SB)

Loans can be enrolled in the CalCAP SB program. This is a loan loss reserve program which can provide up to 100% coverage on losses as a result of certain loan defaults. With CalCAP portfolio support, a lender may be more comfortable underwriting small business loans. Companies can find participating lenders [here](#).

Application process:

- The loan enrollment application is [online](#).

4.4 [JFLA Free Loan](#)

Temporarily unavailable due to high load.

For whom:

- Small businesses
- Applicants must be permanent residents of LA or Ventura counties

Amount:

- Up to \$36,000

Interest rate:



- 0%

Prerequisites:

- Borrowers must demonstrate need and have the ability to repay the loan.
- Two guarantors with good credit and steady income are required on each loan up to \$36,000.

Application process:

- [Online](#)
- For more information, contact contact info@jfla.org

Pros	Cons
0% interest rate	To achieve the maximum loan amount of \$36,000, two guarantors with good credit and steady income are needed

B. Grants

1. Nationwide

1.1 Private: [Facebook Small Business Grants Program](#)

For whom:

- 30,000 eligible small businesses in the 30 countries where Facebook operates

Amount:

- Up to \$3,333.33 in cash grants and ad credits

Prerequisites:

- Funds may be used for payroll costs, rent costs and operational costs

Application process / status:

Not online yet. Facebook states they will begin starting applications in the coming weeks.

Companies can sign up [here](#) to receive more information when it becomes available.

Pros	Cons
Grant, no repayment needed	Relatively low amount (\$3,333.33)
	Application process not live yet, only limited information currently available

1.2 Public: [The Main Street Emergency Grant Program](#)

Not available yet: proposal stage.

For whom:

- Small and midsize businesses

Amount:

- Decided on a case-to-case basis (based on a percentage of expenses necessary for the survival of the business)

Prerequisites:

- Funds may only be used for payroll or other fixed costs, such as rent, that are necessary to keep the business operating.
- If a participating company fails to restore their payroll to 80% of prior levels within 12 months of the termination of the COVID-19 public health emergency, the grant is turned into a loan.

2. New York

2.1 [NYC Employee Retention Grant Program](#)

For whom:

- New York businesses ('located within the five boroughs of New York City') with fewer than 5 employees
- Businesses that have been impacted by the coronavirus pandemic

Amount:

- Cover 40% of payroll costs for 2 months to help retain employees.

Prerequisites:



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- Demonstrate that the COVID-19 outbreak caused at least a 25% decrease in revenue.
- Employ 1–4 employees in total across all locations.
- Have been in operation for at least 6 months.
- Have no outstanding tax liens or legal judgements.

Application process:

The application process is [online](#).

Pros	Cons
Covers 40% of payroll costs for 2 months	Companies need to prove a decrease in sales revenue of at least 25% caused by the coronavirus outbreak
	Strict requirements regarding company’s age and size

C. Reduced Work Hours

1. [California](#)

1.1 [UI Work Sharing Program](#)

- Employers can reduce their employees’ work hours and wages. This can be partially offset with UI benefits.
- Workers of employers who are approved to participate in the Work Sharing Program receive the percentage of their weekly Unemployment Insurance (UI) benefit amount based on the percentage of hours and wages reduced, not to exceed 60 percent.

For whom:

- Companies that are legally registered in California
- Have an active California State Employer Account Number

Prerequisites:

- Hours and wages must be reduced by at least 10 percent and not more than 60 percent.
- Health benefits must stay the same as before, or they must meet the same standards as other employees who are not participating in the Work Sharing Program.
- Retirement benefits must meet the same terms and conditions as before, or they must meet the same as other employees not participating in Work Sharing.



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- The collective bargaining agent of employees in a bargaining unit has to agree to voluntarily participate and sign the application for Work Sharing.

Restrictions:

- Leased, intermittent, seasonal, or temporary service employees cannot participate.
- Corporate officers or major stock holders with investment in the company cannot participate.
- The Work Sharing Program cannot be used as a transition to a layoff.

Process and application:

- Identify the affected work units to be covered by the Work Sharing plan, identify each participating employee by their full name and Social Security number
- Notify employees in advance of the intent to participate in the Work Sharing program
- Identify how many layoffs will be avoided by participating in the Work Sharing program
- Provide the EDD with any necessary reports or documents relating to the Work Sharing plan
- [Online application form](#). For additional questions, contact the EDD Special Claims Office at 916-464-3343.