

## COVID-19 Disaster Resources for Small Businesses & Farms:

The current COVID-19 pandemic is affecting many small businesses around the U.S. We would like to offer some assistance on how to locate information, support and financing options.

IBank's Small Business Finance Center (SBFC) offers a **Disaster Relief Loan Guarantee Program** that is specifically designed for Disaster Relief and is currently available to small businesses needing assistance to overcome economic injury caused by COVID-19. This program is administered by several Financial Development Corporations (FDCs) throughout the state, which provide Lenders (e.g. a bank or credit union) with a loan guarantee of up to 95 percent of the loan. Businesses can apply directly through California Coastal Rural Development Corporation (Cal Coastal), but we can assist you in locating a participating Lender. Our loan application can be accessed on our company website at: [www.calcoastal.org](http://www.calcoastal.org).

The program is designed to help small business and farm borrowers who were impacted by the coronavirus (COVID-19) by providing loan guarantees of up to \$1 million for small business borrowers in declared disaster areas.

Cal Coastal primarily serves California's Central Coast region, specifically the counties of; Santa Cruz, Monterey, San Benito, San Luis Obispo, Santa Barbara and Ventura. However, IBank has several other Financial Development Corporation (FDC) partners that administer the Disaster Relief Loan Guarantee Program throughout the state that assist businesses & farms in securing a loan guarantee on a bank loan. The FDCs work directly with lenders to underwrite the loan, which the SBFC guarantees (upon approval), please reach out to them directly for assistance.

**If you are not located in Cal Coastal's region, please see IBank's website to contact a FDC serving your area:** <https://www.ibank.ca.gov/small-business-finance-center/>

Additionally, many local government agencies are offering assistance and resources as this has been officially declared a federal and state emergency. Check your city and county, as well as these sites, for more information:

State of California: <https://covid19.ca.gov>

State of California, Governor's Office of Economic Development: <https://business.ca.gov/coronavirus-2019/>

U.S. Small Business Administration (SBA): <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

USDA Farm Service Agency (FSA): <https://www.fsa.usda.gov/index>

**UNEMPLOYMENT INFORMATION:** For laid off employees, EDD is waiving the normal 7-day waiting period for unemployment benefits, as well as disability benefits. EDD has provided a guide for employees, identify eligibility for disability insurance, unemployment insurance and paid family leave because of the coronavirus: [https://edd.ca.gov/about\\_edd/coronavirus-2019/faqs.htm](https://edd.ca.gov/about_edd/coronavirus-2019/faqs.htm)



# SMALL BUSINESS DISASTER RELIEF LOAN GUARANTEE PROGRAM

**1**

## WHO QUALIFIES? ARE YOU ELIGIBLE?

Small Businesses located in California with 1-750 employees that have been negatively impacted or experienced disruption by COVID-19 and eligible nonprofits can use the disaster relief loan guarantee program.

**2**

## FIRST STEP -- APPLY FOR A LOAN

CONTACT A PARTICIPATING LENDER in your area (a list of participating lenders will be available on the IBank website soon) and apply for a loan. You also can receive help in the application from one of seven IBank partner Financial Development Corporations (FDCs) listed on the IBank Small Business Finance Center website. They can help connect you to a participating lender as well as apply for the loan guarantee.

**3**

## HOW DOES A LOAN GUARANTEE WORK?

A loan guarantee mitigates the risk assumed by a traditional lending institution. A bank is more willing to provide access to capital if there is a guarantee in place that would repay up to 95% of the loan should there be a default.

**4**

## WHAT CAN LOAN PROCEEDS BE USED FOR?

Loan proceeds to be used for continuance of business including, but not limited to rent, payroll and more.

**5**

## WHAT ARE THE LOAN TERMS?

The loan can be guaranteed up to 7 years and covers up to 95% of the loan. The interest rates are negotiated between the lender and the borrower. Qualifications are based on lender criteria.

VISIT [WWW.IBANK.CA.GOV](http://WWW.IBANK.CA.GOV) FOR MORE INFORMATION OR TO FIND THE FINANCIAL DEVELOPMENT CORPORATION (FDC) NEAREST THE BUSINESS. IBANK PARTNER FDCS ARE AVAILABLE TO PROCESS THE GUARANTEE ON A LOAN PROVIDED BY YOUR LENDER!



# PROGRAMA DE GARANTÍA DE PRÉSTAMOS DE LIBERACIÓN DE DESASTRES PARA PEQUEÑAS EMPRESAS

**1**

## ¿QUIÉN CALIFICA? ERES ELEGIBLE

Las pequeñas empresas ubicadas en California con 1-750 empleados que han sido impactados negativamente o han sufrido interrupciones por COVID-19 y organizaciones sin fines de lucro elegibles pueden usar el programa de garantía de préstamos de ayuda por desastre.

**2**

## PRIMER PASO - SOLICITAR UN PRÉSTAMO

CONTACTE A UN PRESTAMISTA PARTICIPANTE en su área (pronto estará disponible una lista de prestamistas participantes en el sitio web de IBank) y solicite un préstamo. También puede recibir ayuda por la aplicación de una de las siete Corporaciones de Desarrollo Financiero (FDC) asociadas a IBank que figuran en el sitio web del Centro Financiero de Pequeñas Empresas de IBank. Pueden ayudarlo a conectarse con un prestamista participante y solicitar la garantía del préstamo.

**3**

## ¿CÓMO FUNCIONA UNA GARANTÍA DE PRÉSTAMO?

Una garantía de préstamo mitiga el riesgo asumido por una institución de crédito tradicional. Un banco está más dispuesto a proporcionar acceso al capital si existe una garantía que reembolsará hasta el 95% del préstamo en caso de incumplimiento.

**4**

## ¿PARA QUÉ SE PUEDEN UTILIZAR LOS PROCEDIMIENTOS DE PRÉSTAMO?

El préstamo se utilizará para la continuidad del negocio, incluidos, entre otros, alquiler, nómina y más.

**5**

## ¿CUÁLES SON LOS TÉRMINOS DEL PRÉSTAMO?

El préstamo se puede garantizar hasta 7 años y cubre hasta el 95% del préstamo. Las tasas de interés se negocian entre el prestamista y el prestatario. Las calificaciones se basan en los criterios del prestamista.



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## **County of Monterey Small Business Revolving Loan Fund - Emergency Microloan Fund**

### **Background of County of Monterey SBRLF:**

The County of Monterey's Economic Development Department (County) operates a Small Business Revolving Loan Fund (SBRLF) that was originally capitalized by a U.S. Department of Commerce, Economic Development Administration (EDA) funding as the initial capital for an economic development tool designed to assist small businesses located within Monterey County, CA. The County contracts with California Coastal Rural Development Corporation to assist with the SBRLF.

### **New! Emergency Microloan Fund:**

In response to the COVID-19 crisis and shelter-in-place orders that temporarily shut down many small businesses in the county, economic development partners determined there is a strong need for quickly accessible, small-sized loans to small businesses affected by those closures. Therefore, funds from the SBRLF will be used for an Emergency Microloan Fund that has been designed to support small businesses located within the county of Monterey. Applicants must demonstrate they have been financially burdened by the COVID-19 public health emergency. The underwriting, approval, and closing process has been streamlined and will be designed to facilitate rapid deployment of capital to businesses in need. Once the COVID-19 crisis is over, the Emergency Microloan Fund will stop accepting new loan applications and will revert to the regular SBRLF program.

- Loan amounts range from \$5,000 to \$25,000.
- Interest rate is the lower of 4%, or 75% of Wall Street Journal Prime Rate (Currently 2.44%).
- The maximum loan term is 5 years.
- The loans can have an initial payment deferment period of up to 9 months (interest still accrues during the deferment period).
- Loan proceeds can be used for working capital and may go toward business expenses, such as; payroll, rent, inventory, supplies/materials, utilities, professional services, and more.
- Funding is subject to availability of funds (a submittal of a loan application does not guarantee funding).
- The loan/application fee will be waived. Borrowers are responsible for paying a \$250 documentation fee and closing costs (e.g. credit report, recording a lien filing, etc.). These fees can be financed into the loan.



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**Eligibility Requirements:**

- Must be located within Monterey County.
- Should have between 2-10 employees.
- Should have annual revenues that do not exceed \$2,000,000.
- Be an operating business, not a passive real estate entity.
- Have been in business for a minimum of one year.
- Must present a feasible plan to recover post-disruption.
- Be current on federal income taxes.

To get started, potential borrowers must submit a pre-qualification on our website at [www.calcoastal.org/pre-qualification/](http://www.calcoastal.org/pre-qualification/) or by phone at 831-424-1099. If eligible, you will be required to submit a loan application with supporting documents as follows:

**Loan Application Requirements:**

1. COVID-19 Disaster Impact Statement: Provide overview of the business, showing that it would be profitable without disaster disruption, and the economic injury of the disaster on the business. Business should explain why they need the loan amount requested and specifically how the working capital funds will be used (1 page or less).
2. Cal Coastal Loan Application.
3. 2018 & 2019 Federal tax returns (if available) or year-end internal financial statements (balance sheet and profit and loss statement).
4. A current business interim financial statement (balance sheet and profit and loss statement).
5. Existing Debt Schedule.
6. A Personal Financial Statement.
7. Additional items as requested (e.g. lease agreements, organizational documents such as fictitious name statement, business license, partnership agreements, articles of incorporation & by-laws, etc.).

For one-on-one assistance in completing a loan application, you may also sign-up for an appointment with Cal Coastal Small Business Development Center (SBDC) at <https://calcoastalsbdc.ocom/covid-19-resources> or by phone at (831) 676-2017.



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## **Fondo rotativo de préstamos para empresas pequeñas del Condado de Monterey - Fondo de microcréditos de emergencia**

### **Antecedentes del Condado de Monterey SBRLF:**

El Departamento de Desarrollo Económico del Condado de Monterey (Condado) opera un Fondo de Préstamo Rotativo para Empresas Pequeñas (SBRLF) que fue capitalizado originalmente por un financiamiento de la Administración de Desarrollo Económico (EDA) del Departamento de Comercio de los Estados Unidos como el capital inicial para una herramienta de desarrollo económico diseñada para ayudar empresas pequeñas ubicadas dentro del condado de Monterey, CA. El Condado tiene contratos con la Corporación de Desarrollo Rural Costero de California para ayudar con el SBRLF.

### **¡Nuevo! Fondo de microcréditos de emergencia:**

En respuesta a la crisis de COVID-19 y las órdenes de refugio que temporalmente cerraron muchas empresas pequeñas en el condado, los socios de desarrollo económico determinaron que existe una gran necesidad de préstamos pequeños y de acceso rápido para las empresas pequeñas afectadas por esos cierres. Por lo tanto, los fondos del SBRLF se utilizarán para un Fondo de microcréditos de emergencia que ha sido diseñado para apoyar a las empresas pequeñas ubicadas dentro del condado de Monterey. Los solicitantes deben demostrar que han sido afectados financieramente por la emergencia de salud pública de COVID-19. El proceso de suscripción, aprobación y cierre se ha simplificado y se diseñará para facilitar el despliegue rápido de capital a las empresas que lo necesitan. Una vez que termine la crisis de COVID-19, el Fondo de microcréditos de emergencia dejará de aceptar nuevas solicitudes de préstamos y volverá al programa SBRLF regular.

- Los montos de los préstamos varían entre \$5,000 a \$25,000.
- La tasa de interés es la más baja del 4%, o el 75% de la tasa preferencial del Wall Street Journal (actualmente 2,44%).
- El plazo máximo del préstamo es de 5 años.
- Los préstamos pueden tener un período de aplazamiento de pago inicial de hasta 9 meses (los intereses aún se acumulan durante el período de aplazamiento).
- Los ingresos del préstamo pueden usarse para capital de trabajo y pueden destinarse a gastos comerciales, tales como; nómina, alquiler, inventario, suministros / materiales, servicios públicos, servicios profesionales y más.



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- La financiación está sujeta a la disponibilidad de fondos (la presentación de una solicitud de préstamo no garantiza financiamiento).
- La tarifa de solicitud no se aplicará. Los prestatarios son responsables de pagar \$ 250 tarifa de documentación y costos de cierre (por ejemplo, informe de crédito, registro de un gravamen, etc.). Estas tarifas pueden ser financiadas en el préstamo.

**Requisitos de elegibilidad:**

- Debe estar ubicado dentro del Condado de Monterey.
- Debe tener entre 2 y 10 empleados.
- Debe tener ingresos anuales que no excedan los \$ 2,000,000.
- Ser un negocio operativo, no una entidad inmobiliaria pasiva.
- Haber estado el negocio por un mínimo de un año.
- Debe presentar un plan factible de recuperación después de la interrupción.
- Estar al día con sus impuestos federales.

Para comenzar, los prestatarios deben presentar una precalificación en nuestro sitio web en <http://www.calcoastal.org/pre-qualification/> o por teléfono al 831-424-1099. Si es elegible, deberá presentar una solicitud de préstamo con los documentos de respaldo de la siguiente manera:

**Requisitos para la solicitud de préstamo:**

1. Declaración de Impacto de Desastre de COVID-19: Proporcione una visión general del negocio, demostrando que sería rentable sin la interrupción del desastre y la lesión económica del desastre en el negocio. Las empresas deben explicar por qué necesitan el monto del préstamo solicitado y específicamente cómo se utilizarán los fondos de capital de trabajo (1 página o menos).
2. Solicitud de préstamo Cal Coastal.
3. Declaraciones de impuestos federales de 2018 y 2019 (si están disponibles) o estados financieros internos de fin de año (balance y estado de ganancias y pérdidas).
4. Un estado financiero provisional (balance y estado de pérdidas y ganancias).
5. Calendario de deuda existente.
6. Un estado financiero personal.
7. Elementos adicionales según lo solicitado (por ejemplo, contratos de arrendamiento, documentos de la organización, como declaración de nombre ficticio, licencia comercial, acuerdos de asociación, artículos de incorporación y estatutos, etc.).

Para obtener asistencia personalizada para completar una solicitud de préstamo, también puede inscribirse para una cita con el Centro de Desarrollo de Empresas Pequeñas (SBDC) de Cal Coastal por <https://calcoastalsbdc.com/covid-19-resources> o por teléfono al (831) 676-2017.