

SBA Disaster Loan

1. The loan is only for established businesses or nonprofits.
2. The loan can be used to pay fixed debts, payroll accounts payable and other bills that can't be paid because of the disaster's impact.
3. The business will have to prove that the business was/is financially impacted. We can show this by providing bank statements of how the business was performing before and how it is performing now.
4. The interest rate is 3.75%
5. We will need to collect the following to get started:
 - a. Latest Tax Returns. Preferably the last three if available.
 - b. Owners, or partners, need to have at least a 620 credit score with no collections, no due taxes or child support. A screenshot from Credit Karma, Credit Sesame or any bank will do. We should also consider getting a [free credit report if possible](#).
 - c. The cost of living of the owner, or partners. See the attached PDF. We will need that filled out for anybody that owns 20% or more. Apply here: (<https://disasterloan.sba.gov/ela/>)

Requirements:

1. The application (SBA Form 5), completed and signed
2. Tax Information Authorization (IRS Form 4506T), completed and signed by each applicant, each principal owning 20 percent or more of the applicant business, each general partner or managing member; and, for any owner who has greater than 50 percent ownership in an affiliate business.
3. Complete copies, including all schedules, of the most recent Federal income tax returns for the applicant business; an explanation if not available
4. Personal Financial Statement (SBA Form 413) completed, signed, and dated by the applicant, each principal owning 20 percent or more of the applicant business, and each general partner or managing member
5. Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used)



California Small Business Loan Guarantee Program & Disaster Relief Loan Guarantee Program

(<https://www.ibank.ca.gov/small-business-finance-center/>)

The Small Business Finance Center (SBFC) partners with Financial Development Corporations to provide loan guarantees and direct loans for small businesses that experience capital access barriers.

Eligible Applicants

- Small Businesses located in California with 1-750 employees
- Eligible Nonprofits

Guarantee Terms:

- Loans up to \$20 million
- Max guarantee \$1 million
- Guaranteed up to 7 years; term can be longer
- Guarantees up to 80% – 95% of loan
- Loan interest rates negotiated between lender and borrower
- Qualifications based on lender criteria

Use of Funds

- Start-up costs
- New construction
- Inventory
- Working capital
- Export financing
- Franchise fees
- Business expansion
- Lines of credit
- Gap financing
- Agriculture
- Disaster Relief

How to Apply

Qualifying small business owners may apply for a loan guarantee or get additional information by contacting one of the participating Financial Development Corporations (FDCs) from the list below. (<https://www.ibank.ca.gov/publications/fdc/>)

Los Angeles City Small Business Emergency Microloan Program

(<http://ewddlacity.com/index.php/microloan-program>)

Businesses that meet the criteria below may apply online for a City of LA Small Business Emergency Microloan. Please read through the information below prior to application. To apply, please register through our secure log-in system.

General Eligibility

Credit

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

Cash Flow

Businesses must show that historical profits were sufficient to service the requested debt and have been impacted by the COVID-19 outbreak

Location

Primary business operation must be located within City of Los Angeles boundaries

Microloan Use of Funds

must be for reasonable and eligible working capital expenses

Microloan Requirement

job retention

Collateral

evaluated on a case-by-case basis

Required Guarantors

all business owners who hold 20% or more ownership must guarantee the loan

Co-Signer

a co-signer with reasonable credit and sufficient income to repay the loan can be included as a guarantor to mitigate weaknesses in the loan request

Application Fees

No Application Fees

Important Documentation

- Complete Loan Application



- Business Tax Returns (*1 year, if available*)
- Interim Business Financial Statement
- Personal Financial Statement
- Personal Tax Returns (*1 year*)
- Bank Statements (*3 months*)
- Sources and Uses of Funds

Microloan Terms

Loan Limits

\$5,000 to \$20,000

Interest Rate

- Option 1: 0% for a term of 6 months to 1 year
- Option 2: 3% to 5% for a term of up to 5 years

Term

6 months to 5 years

Loan Fee

No Fee

Admin Fee (credit report)

No Fee

Eligible Uses

Working capital only

Eligible Borrowers

- Option 1: microenterprises in the City of LA that are low-income or will retain low-income jobs
- Option 2: small businesses in the City of LA that will retain low-income jobs

Businesses may apply online for a City of LA Small Business Emergency Microloan (click this link). Registration will be required through our secure log-in system.

For more information, email the EWDD Emergency Microloan Management Team at EmergencyLoans@lacity.org or call 213-744-7130.

EWDD is currently experiencing a high volume of calls and emails. Please be assured that we understand your concern and will respond as quickly as possible.

CDC Loans

1. CDC Loan Application <https://cdcloans.com/>

For existing business:

2. If you are requesting more than \$50,000 - Business Tax Returns for the last three years.
If you are requesting \$50,000 or less - Business Tax Returns for the most current year.
3. **Business Debt Schedule (form attached)**
4. Interim Financial Statement since your last tax reporting period (balance sheet and profit & loss statement) - *must be current within 45 days*

For start-up business only:

2. Business Plan and 12 months of Projections broken out by month
3. Letter of Interest from a landlord if you are moving into a leased location
4. Bid for tenant improvements if TI is part of your project

Personal Information:

Submit for anyone who holds 20% or more **ownership in the business.**

1. Personal Tax Returns for the most current year.
2. **Personal Financial Statement (form attached)**
3. Current pay stubs- if applicable
4. **Personal Living Expenses (attached)**

Jump Start Loan Program

The Jump Start Loan Program (Jump Start) helps small businesses start, grow, and thrive. JumpStart provides microloans, technical assistance and financial literacy training.

Eligible Applicants

Small businesses or individual(s) becoming a small business, located in California

- Borrowers must be a low wealth entrepreneur with a business located in a in a declared disaster area... or
- Borrowers must be a low wealth entrepreneur located in a low-wealth community within both:
- A county with a per capita income equal to or less than 115-percent of the statewide average
- A city or unincorporated area with an unemployment rate equal to or greater than the statewide average
- Borrowers annual income must be equal to or less than the statewide average
- Loan proceeds must be used in California

Loan Terms:

- Loan amounts range from \$500 to \$10,000
- Term up to 5-years, fully amortized

Use of Funds:

- Start-up costs
- Property
- Buildings
- Machinery
- Equipment
- Inventory
- Tenant Improvements