



Illinois Department of Commerce & Economic Opportunity

**COVID-19 Update: Erin Guthrie, Director
Illinois Department of Commerce &
Economic Opportunity (DCEO)**



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State's Response to COVID-19



- Governor JB Pritzker announced a new package of **\$90 million in emergency assistance programs** for small businesses around Illinois
- More info:
<https://dceocovid19resources.com/>
- **Programs include:**
 - Hospitality Emergency Grant Program
 - Small Business Emergency Loan Fund
 - Downstate Small Business Stabilization Fund

Hospitality Emergency Grant Program

- **\$14 million grant program to aid small hospitality businesses**
- **Bars and restaurants:**
 - Earnings between \$500,000 and \$1 million in revenue in 2019 – eligible for up to \$25,000
 - Earnings less than \$500,000 in revenue in 2019 are eligible for up to \$10,000
- **Hotels:**
 - Earnings less than \$8 million in revenue in 2019 are eligible for up to \$50,000

Applications are available online today at <https://dceocovid19resources.com/>

Due by **Wed. April 1, 2020 at 5pm CT**

Illinois Small Business Emergency Loan Fund

- **\$60 million fund to support low-interest loans of up to \$50,000 for small businesses outside of Chicago.**
- **Businesses with fewer than 50 employees and less than \$3 million in revenue in 2019 will be eligible to apply.**
- **Successful applicants will owe nothing for six months and then will begin making fixed payments at 3% interest for the remainder of a five-year loan repayment period with no payments due for the first six months.**
- **Loan funds must be used for working capital. At least 50% of loan proceeds must be applied toward payroll or other eligible compensation, with a commitment to hire or retain at least 50% of a business workforce for six months.**
- **Eligible businesses can submit a full application online beginning **Wed. April 1, 2020****

SBA Economic Injury Disaster Loans for Illinois Small Businesses

- Small businesses in all 102 Illinois counties may be eligible for low-interest, economic injury disaster loans up to \$2M per business from the U.S. Small Business Administration.
- Interest rates:
 - 3.75% for small businesses
 - 2.75% for nonprofit organizations with terms up to 30 years
- Eligibility requirements are determined by SBA and can be found on our DCEO website: <https://dceocovid19resources.com/>

Federal Stimulus Bill

- Paycheck Protection Program: the SBA will provide \$349 billion in loan forgiveness grants to small businesses and non-profits that maintain existing workforce or rehire.
 - Funds to help cover expenses like payroll, rent or mortgage and utilities.
 - Loans can be up to \$10 million and interest rates are maxed at 4% for portions of the loan that do not qualify for loan forgiveness.
- Economic Injury Disaster Loan: Borrowers can request an emergency advance of \$10,000 within 3 days of receiving application and DO NOT have to repay the advance if they are denied a loan.
- Subsidy for Current Loan Payments: the SBA will cover up to 6 months of principal and interest payments that are owed on most existing SBA loans.
- Training and Advising for Existing Businesses: additional funds are provided to SBDCs, Women's Business Centers, and Minority Business Centers for education, training and advising to small businesses. Small Businesses can take advantage of this now.
- Aid to Midsize Businesses and Nonprofits: These entities will be able to take advantage of a federal loan program to support their organizations. Significant restrictions will be placed on the assistance and these loans cannot be forgiven.

Unemployment Insurance



- Individuals without access to paid sick leave or unable to work due to COVID-19 can apply for unemployment insurance by visiting the IDES website: [IDES.Illinois.gov](https://www.ides.illinois.gov)
- Gov. Pritzker is waiving the 7-day waiting period for residents to apply for unemployment benefits
- **What this means:**
 - Those qualified can file and become eligible instead of experiencing lag time
 - Gov. Pritzker is pushing to increase the length of benefits beyond 26 weeks as this crisis continues

PPE Donations Needed

For donations of personal protective equipment, please email:
PPE.donations@illinois.gov.

PPE Items include:

- Masks: N-95, ear loop, or surgical
- Gowns: Isolation or non-descript
- Gloves: Nitrile, sterile, or surgical
- Eye Protection: Face shields and goggles
- Infection Control Kits
- Hand Sanitizer: Any size
- Disinfectant Wipes: Any size
- Digital thermometers: Forehead only
- PAPR hoods
- Ventilators

Additional Donations

- For non-PPE items please email: BusinessDonations@illinois.gov
- Manufacturers altering operations to provide essential items can contact the Illinois Manufacturers Association (IMA) at: <https://ima-net.org/covid-19/supplies/>
- Wholesalers, suppliers, or manufacturers that have items on hand to sell or will in the future can contact: COVID.procurement@illinois.gov.

NEW Illinois COVID-19 Response Fund



- Gov. Pritzker is partnering with United Way of Illinois and Alliance of Illinois Community Foundations to launch Illinois' COVID-19 Response Fund (ICRF)
- Created to support nonprofit organizations serving those whose lives have been upended by COVID-19 – launching with nearly \$23 million
- Steering committee will disburse funds to the initial wave of charitable organizations and all donations and distributions will be available to the public
- More information can be found at www.ilcovidresponsefund.org

For More Information

DCEO website

<https://dceocovid19resources.com/>

Follow DCEO on social

@IllinoisDCEO



Q&A

FINDING FUNDING NOW

Current and future options for small business capital during the pandemic

Current as of 03.30.20

Brad McConnell

CEO

Accion Serving Illinois & Indiana

ACCION

Our Mission

Accion helps neighborhood entrepreneurs grow. We provide the capital, coaching, and connections small business owners need to create wealth and jobs throughout Illinois and Indiana.

Agenda

What options for emergency capital are available **today**?

- Federal
- State
- City
- Accion

What options for emergency capital will be available **soon**?

- Federal
- State
- City
- Accion

What options for emergency capital are available today?

Federal

- SBA Economic Injury Disaster Loans

State of Illinois

- Hospitality Emergency Grant Program

Accion

- Immediate payment reductions
- Expedited line of credit

SBA Economic Injury Disaster Loans

Basics

- Eligibility: <500 employees with acceptable credit
- Maximum: \$2M
- Rate: 3.75%
- Term: Up to 30 years
- Application: DisasterLoan.sba.gov

Details

- Requires collateral if over \$25K
- Must submit SBA Form 5, IRS Form 4506T, recent tax return, SBA Form 2202, SBA Form 413, SBA Form 1368, 2020 P&L
- Apply directly to SBA, processing times very uncertain

Hospitality Emergency Grant Program

Basics

- Eligibility: Restaurants and bars <\$1M, hotels <\$8M
- Maximum: \$25K for F+B, \$50K for hotels
- Rate: Free
- Term: N/A
- Application: us.accion.org/ILgrant

Details

- \$14M in grants overall: \$8M for hotels / \$6M for F+B
- \$10K for F+B <\$500K / \$25K for F+B btw \$500K and \$1M
- \$50K for hotels under \$8M annual revenues
- Must upload license and tax return
- For working capital, training, and technology
- Apply by 4/1, lottery 4/4, disbursements 4/6 (w/ACH and W9)
- Lottery distribution: 1/3 Cook, 1/3 collar, 1/3 downstate

Accion Expedited Line of Credit

Basics

- Eligibility: IL or IN business owners with clean credit 1/19 to 3/20
- Maximum: Up to \$25K, based on 2020 revenues
- Rate: 9%
- Term: Interest-only year 1, then shift to 2 year term loan
- Application: us.accion.org/chicago

Details

- Max amount will be based on average revenues from January and February business bank statements
- Must have credit report showing on time payments for all lines since 1/19
- Quick application, minimal documentation
- Funding in less than 10 days

What options for emergency capital will be available soon?

Federal

- Paycheck Protection Program, from the Keeping Workers Paid and Employed Act which is Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

State of Illinois

- Illinois Small Business Emergency Loan Fund

City of Chicago

- Chicago Small Business Resiliency Loan Fund
- Chicago Small Business Resiliency Grants

Accion

- *What we will offer...*

Paycheck Protection Program, from the Keeping Workers Paid and Employed Act which is Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

Basics

- Eligibility: <500 employees per location, other TBD from SBA
- Maximum: 2.5x average monthly payroll for previous year, up to \$10M
- Rate: up to 4%
- Term: no payments for 6-12 months, full term up to 10 years
- Application: TBD (thru 7a and CA lenders including Accion)

Details

- Loan will be forgiven for compensation expenses (up to \$100K per employee or business owner), rent or mortgage interest, and utility costs incurred for 8 weeks after origination but before 6/30
- Loan forgiveness is not taxable
- No “credit elsewhere” test, no personal guarantee, no collateral, no fees
- Includes nonprofits and sole proprietors
- Timing of SBA rules and funding is uncertain but imminent

Illinois Small Business Emergency Loan Fund

Basics

- Eligibility: Prioritize downstate, <\$3M revenues, <50 employees, 500 credit
- Maximum: Oct-Dec 2019 average monthly revenues, up to \$50K
- Rate: 3%
- Term: No payment for 6 months, fully amortized over 5 years
- Application: <https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/EmergencySBAInitiatives.aspx>

Details

- Used for working capital, of which 50% must be for compensation costs
- Requires personal guarantee from borrower
- Must have business license for at least one year before applying
- Must provide zip codes of employees
- For-profits only

Chicago Small Business Resiliency Loan Fund

Basics

- Eligibility: Within Chicago, <\$3M revenues, <50 employees, 500 credit
- Maximum: Oct-Dec 2019 average monthly revenues, up to \$50K
- Rate: 1% for 18 months, 5.75% thereafter
- Term: No payment for 6 months, fully amortized over 5 years
- Application: www.surveymonkey.com/r/COVID19Chicago

Details

- Used for working capital, of which 50% must be for compensation costs
- Requires personal guarantee from borrower
- Must have business license for at least one year before applying
- Must provide zip codes of employees
- Funds will be distributed equitably across geography and industry
- For-profits and nonprofits

Chicago Small Business Resiliency Grants

Basics

- Eligibility: TBD
- Maximum: TBD
- Rate: TBD
- Term: TBD
- Application: TBD

Details

- TBD

Accion: what we will offer

Offerings

- Keeping Workers Paid and Employed Act loans (TBD)
- State of Illinois Hospitality Emergency grants
- State of Illinois Small Business Emergency loans (TBD)
- City of Chicago Small Business Resiliency grants (TBD)
- City of Chicago Small Business Resiliency loans
- Accion client payment reductions
- Accion expedited line of credit
- Accion free business coaching

Learn More

For frequent updates from Accion, visit:

- Facebook: @AccionServingILIN
- LinkedIn: @AccionChicago
- Web: us.accion.org/news/emergency-capital/

If you have questions about your small business loan or grant options:

- Contact us at info@accionchicago.org or 312-275-3000

For the next update from Accion on small business capital during the pandemic:

- Email Jackie Blair at jblair@accionchicago.org to join our email newsletter



**Federal Stimulus Packages
Senator Dick Durbin**