COVID-19 Update: Erin Guthrie, Director
Illinois Department of Commerce &
Economic Opportunity (DCEO)
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: [www2.illinois.gov/dceo](http://www2.illinois.gov/dceo)

• **Programs include:**
  • Small Business Emergency Loan Fund
  • Downstate Small Business Stabilization Fund
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 now here. Lenders differ based on business location.

• Chicago-based businesses qualify for a similar program – The Chicago Small Business Resiliency Fund.
Downstate Small Business Stabilization Fund

• This new $20 million program supports non-essential small businesses in suburban and rural counties across Illinois.

• Provides grants up to $25,000 to small businesses in communities served by DCEO’s Office of Community Development.

• Businesses with up to 50 employees can partner with local governments to obtain grants of up to $25,000 in working capital.

• The program redeploy Community Development Block Grant funds to support local small businesses.

• You can find out additional information and apply here.
Federal Stimulus Bill – CARES Act

UPDATE: By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations. A “Phase 4” of the stimulus would provide $310 billion in new appropriations to the Paycheck Protection Program. $60 billion to the SBA’s Economic Injury Disaster Loan Fund. Farms and other agriculture enterprises would now considered eligible.

- **Paycheck Protection Program**: Up to $10M forgivable loan program with loan amount based on payroll history (2.5x monthly average) with 2-year term at 1%
  - Small businesses and non-profits with < 500 employees eligible (other eligibility determinations may apply)
  - Independent contractor expenses (1099's) cannot be included in payroll calculation or as expenses eligible to contribute for purpose of forgiveness
  - Program notes
    - For status of application, contact your lender
    - Amount of forgiveness of a PPP loan depends on the borrower’s payroll costs over an eight-week period that begins on the date the lender makes the first disbursement of the PPP loan to the borrower.

- **Economic Injury Disaster Loan**: Working Capital Loan Program where eligible entities may qualify for loans up to $2 million with terms up to 30 years
  - The interest rates for this disaster are 3.75 % for small businesses/2.75 % for nonprofit organizations - First payment deferred for one year
  - Small businesses with < 500 employees and private non-profits eligible.
  - Program notes
    - Applications already submitted processed first come, first served
    - Loan closing activities have begun
    - Application status – [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

- **Economic Injury Disaster Loan Advance**: Applicants can receive an emergency advance **up to $10,000** within days of a successful application and DO NOT have to repay the advance if they are denied a loan.
  - Program notes – disbursements ongoing

- **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.
Other SBA Loan Programs

- SBA guarantees loans made by participant lenders to small businesses who may not have been approved for traditional lender financing.
- Primary programs: 7(a) loans, CDC/504, and microloans
- Uses include working capital, inventory, real estate, equipment, export assistance, etc.
- Pros: Very competitive rates, longer term loans, and no balloon payments
- Work with an SBA-approved lender

RESOURCES:
- Find an SBA approved lender near you: www.sba.gov/lendermatch
- Partners: SCORE, Women’s Business Centers, SBDCs

Community Development Financial Institutions (CDFIs)

- Offer loans (usually less than $250k) for those typically ineligible for traditional bank loans
- CDFIs are dedicated to responsible affordable lending to underserved entrepreneurs and low-income communities
  - Often provide in-depth support: mentoring and technical assistance
  - Many CDFIs offer microloan programs, loans less than $50k

RESOURCE
- Opportunity Finance Network is a national membership organization of CDFIs across the country. Find a CDFI for small business loans near you: ofn.org/cdfi-locator
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

- Gov. Pritzker is waiving the 7-day waiting period for residents to apply for unemployment benefits

- **Federal CARES Act:**
  - Extended length of benefits from 26 weeks to 39 weeks
  - Additional $600 per week
  - Independent contractors/gig workers can access benefits (IDES in process of setting up this program – May 11th)
COVID-19: Update from Erin Guthrie, Director of the Illinois Department of Commerce & Economic Opportunity (DCEO)

Bringg NOW

- In response to the increasing demand for delivery to reduce the spread of COVID-19, Bringg releases new SME solution for free to help businesses manage delivery to customers.
- Using BringgNOW business owners can quickly load incoming orders, dispatch deliveries to their own drivers or crowdsourced fleets and deliver items to customers with a fully branded, real-time Uber-like experience.

What this means:
- BringgNOW will provide smaller businesses the ability to start, scale, and manage delivery operations

Website: www.bringg.com

If interested contact:
Tamir Gotfried
tamir@bringg.com

Isaac Buahnik
isaac@bringg.com
Venturize

Venturize.org is a free online resource hub for small businesses who need help accessing tools and resources to grow their businesses. Venturize offers unbiased information about small business loans, retirement and healthcare. Powered by the Small Business Majority advocacy organization.

Venturize partners with a wealth of local nonprofit business assistance organizations who can help during this time.

Visit the Venturize homepage and select your state to find providers near you, including the entire network of Small Business Development Centers.

- Venturize’s Pacific Community Ventures is offering free remote business assistance on any topic: www.businessadvising.org
- Community Reinvestment Fund, a national CDFI, offers connect2capital.com, another CDFI matching tool.

Online Resource Hub: www.Venturize.org/access-capital
For More Information

General Inquires: 1-800-252-2923 or CEO.support@illinois.gov

Essential Business inquiries: contact 1-800-252-2923 or CEO.support@illinois.gov – Frequently Asked Questions

Business insurance coverage: contact the Department of Insurance (DOI) to file an online complaint: https://mc.insurance.illinois.gov/messagecenter.nsf

Federal Small Business loans inquiries: contact (800) 659-2955, illinoisdo@sba.gov, or https://disasterloan.sba.gov

Governor’s Office COVID-19 Website: coronavirus.illinois.gov

DCEO COVID-19 Resources: www2.illinois.gov/dceo
COVID-19: Update from Erin Guthrie, Director of the Illinois Department of Commerce & Economic Opportunity (DCEO)

Q&A
APPENDIX
To DONATE PPE 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

To MANUFACTURE PPE contact the Illinois Manufacturers Association (IMA) at: https://ima-net.org/covid-19/supplies/

To SELL PPE or you plan to in the future can contact: COVID.procurement@illinois.gov

Illinois COVID-19 Response Fund
- Created to support nonprofit organizations serving those who lives have been upended by COVID-19 – launching with nearly $23 million.
- More information can be found at www.ilcovidresponsefund.org
- For businesses wanting to DONATE please email: BusinessDonations@illinois.gov
State Program FAQ

Q: How do I find out if my business qualifies for the Downstate Stabilization Fund?
A: Local governments can apply on behalf of businesses with 50 employees or less. Only cities, villages, and counties that are not a HUD direct entitlement community or located in an urban county that receives “entitlement” funds are eligible to apply. A list of ineligible counties and municipalities can be found [here](#).

Q: Can independent contractors apply for unemployment insurance?
A: Yes. IDES is working to have the program running in early May. All benefits will be backdated to date of unemployment. Weekly benefit is calculated the same as that for regular unemployment in Illinois ([table here](#)) plus $600/week.

Q: Is there any national / state discussion that benefits paid relating to COVID would not increase the tax rate?
A: Two things: (1) Any expansion of benefits due to the CARES Act (+$600/wk, extension to 39 weeks from 26, sole proprietors) is completely covered by federal gov’t and will not affect unemployment compensation tax; (2) As of now, unemployment compensation tax will be affected by baseline (as in, not including enhancements from CARES Act) unemployment insurance benefits received by employees from the business, like in normal times. There is discussion on this at both state and national level, but not far enough along to provide details here.

Q: If I’m located in the City of Chicago or Cook County, are there any programs available for my business?
A: Yes. For business in Chicago there is the [Chicago Small Business Resiliency Fund](#) and for businesses in Cook County there is the [Cook County Recovery Initiative](#).

Q: Where can I find guidance on “essential businesses”? Is there an appeals process for a business if they disagree with a "non-essential" ruling from DCEO? Who enforces the determination?
A: You can find an essential business and operation FAQ on [DCEO’s website](#). No, there is no appeals process. The enforcement piece can either by the state or the local municipality. DCEO generally give deference to municipalities.
Q: Who is eligible?
A: In addition to small businesses, eligible entities include 501 (c)(3) nonprofits, 501 (c)(19) veterans organizations, or Tribal business concerns under 500 employees. Sole proprietors, independent contractors and eligible self-employed individuals are also eligible. This business has to have been in operation since February 15, 2020.

Q: Can you apply for both the Paycheck Protection Program and the SBA Economic Injury Disaster Loan?
A: Yes. A recipient of an Economic Injury Disaster Loan is still eligible for a Paycheck Protection Program. Businesses cannot use an EIDL and a Paycheck Protection Program Loan for the same purpose. If you take advantage of an emergency EIDL grant advance up to $10,000, that amount is subtracted from the amount forgiven up to the Paycheck Protection Loan. Businesses can also refinance an EIDL into the Paycheck Protection Loan for loan forgiveness purposes. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness for a Paycheck Protection Loan, remain a loan.

Q: How can the Paycheck Protection Program Loan be forgiven?
A: At least 75% of funds must be used for payroll costs; continuation of group health care benefits during periods of paid sick, medical, or family leave, or insurance premiums; salaries or commissions or similar compensation. The employer also has to maintains or rehires their workforce.

Q: Should payments that an eligible borrower made to an independent contractor or sole proprietor be included in calculations of the eligible borrower’s payroll costs?
A: No. Any amounts that an eligible borrower has paid to an independent contractor or sole proprietor should be excluded from the eligible business’s payroll costs. However, an independent contractor or sole proprietor will itself be eligible for a loan under the PPP, if it satisfies the applicable requirements.

Q: What is the maximum amount I can borrow?
A: The amount any small business is eligible to borrow is 250 percent of their average monthly payroll expenses, up to a total of $10 million.