

Connecticut Information from DECD (Department of Economic and Community Development) as of 3/22/2020 from David Lehman, Director

1. There will be a three month payment holiday on any debt from DECD. The next payment will be in July 2020.
2. The Connecticut Banking Commissioner has asked Connecticut banks to also institute a three month holiday on business loans.
3. The governor has proposed the "CT Recovery Bridge Loan Program" which will be at zero percent interest and will be capped at \$50,000 for use for up to three months of operating income.
4. The US Congress is likely to propose and pass a bill which will allocate at least \$300 billion for the Small Business Association (SBA), which will be distributed through banks.
5. If Congress passes the bill and the receiving business uses the funds for operations, debt service and payroll, the loan is expected to be forgiven and become a grant instead of a loan.
6. Connecticut has allowed alcohol to be sold with take out restaurant food.
7. Connecticut has a \$1.7 to \$ 2 billion "Rainy Day Fund" which will ne used to finance most of the Connecticut programs.
8. **ALL NEW LOAN APPLICATIONS FOR ALL THESE PROGRAMS WILL BE FINANCED THROUGH YOUR LOCAL BANK.**



U.S. Small Business
Administration

U.S. SMALL BUSINESS ADMINISTRATION FACT SHEET – ECONOMIC INJURY DISASTER LOANS

CONNECTICUT Declaration 16335

(Disaster: CT-00046)

Incident: CORONAVIRUS (COVID-19)

occurring: January 31, 2020 & continuing

in the Connecticut counties of: *Fairfield, Hartford, Litchfield, Middlesex, New Haven, New London, Tolland, and Windham*; the contiguous Massachusetts counties of: *Berkshire, Hampden, and Worcester*; the contiguous New York counties of: *Dutchess, Putnam, and Westchester*; and the contiguous Rhode Island counties of: *Kent, Providence, and Washington*

Application Filing Deadline: December 16, 2020

Disaster Loan Assistance Available:

Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

Interest Rates:

The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 3.750 percent.

Loan Terms:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

Loan Amount Limit:

The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

Loan Eligibility Restrictions:

Noncompliance – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA loans.

Note: Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.

Refinancing:

Economic injury disaster loans cannot be used to refinance long term debts.

Insurance Requirements:

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of 1) the total of the disaster loan, 2) the insurable value of the property, or 3) the maximum insurance available.

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may

call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.