



March 31, 2020

The Oklahoma Department of Commerce (Commerce) is the primary economic development entity for the State of Oklahoma. We know this is a difficult time for everyone — including our business community — and we are prepared to help.

In response to the COVID-19 pandemic, the Oklahoma Department of Commerce is working closely with federal, state, and local governments and partners to communicate resources available and assist our Oklahoma businesses.

Additional information for all programs listed below can be found at [www.okcommerce.gov/covid-19/](http://www.okcommerce.gov/covid-19/)

**The federal government has created programs and has resources available to assist business owners:**

**1. The SBA Disaster Loan Program - Economic Injury Disaster Loans (EIDL)**

Businesses apply directly to SBA at [disasterloan.sba.gov](http://disasterloan.sba.gov). We recommend businesses fill it out and upload during off-peak times due to heavy demand.

The program provides low-interest rate loans for working capital to businesses suffering economic injury from COVID-19. The program will loan up to \$2 million for up to 30 years, based on the borrower's ability to repay. Loans will be based on the borrower's needs and not lost sales. The business doesn't actually enter a loan amount. You will enter your financials, including potential losses, and the SBA will calculate the loan amount for you. Rates are 3.75% for for-profit businesses and 2.75% for non-profit businesses, and this product is a line of credit that can be advanced and paid back as the business sees fit.

Churches, farmers/ranchers, marijuana businesses and sole proprietorships do not qualify. All other industries qualify should they meet SBA requirements, including size restrictions. Size standards are published at: <https://www.sba.gov/document/support--table-size-standards>

**2. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (Paycheck Protection Act)**

This Act allocates \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses. These loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward. This program will be administered through local SBA-approved banks.

The loan amount will be the lesser of 2.5x average monthly payroll for the preceding 12 months or \$10 million. All loan proceeds used to cover payroll, rent, mortgage interest payments, and utilities during the 8 weeks after the loan funds will be forgiven and this debt forgiveness is not taxable to the business.

The covered period during which expenses can be forgiven extends from February 15, 2020 to June 30, 2020. Borrowers can choose which 8 weeks they want to count towards the covered period, which can start as early as February 15, 2020.

Small businesses up to 500 employees including non-profits, veterans' organizations, sole proprietorships or people who are self-employed. Oil and gas, churches, and farms/ranches may apply. Businesses with NAICS

code 72 (restaurants, hospitality) may apply if they have more than 500 corporate employees, as long as they have fewer than 500 employees per location.

Businesses owners will not have to provide personal guarantees or use available assets as collateral for the forgiven portion.

For more information, please visit [covid19relief.sba.gov](https://covid19relief.sba.gov).