

# COVID-19 SMALL BUSINESS SURVIVAL WEBINAR

TUESDAY, APRIL 7 - 9:30 AM - NOON



This Event Offered by the City of Santa Fe, Santa Fe County & SCORE Santa Fe



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# City of Santa Fe, New Mexico

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[www.santafenm.gov](http://www.santafenm.gov)

*Alan Webber, Mayor*

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Renee Villarreal, District 1

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Roman "Tiger" Abeyta, District 3

Chris Rivera, District 3

Mike Harris, District 4

JoAnne Vigil Coppler, District 4

Dear SCORE Participant:

On behalf of the City of Santa Fe, I would like to thank you for doing business in our community and for participating in the SCORE Business Education Series.

Santa Fe's local businesses are our greatest asset and we're working to create the right environment for entrepreneurs to thrive. The City is committed to making sure that there is good support, advice and assistance for businesses; and to nurturing Santa Fe's entrepreneurial ecosystem to businesses to innovate and prosper.

The Business Education Series is sponsored and funded by the City of Santa Fe's Office for Business Growth. The series is organized and presented by Santa Fe SCORE, a resource partner of the Small Business Administration. The Santa Fe Business Incubator serves as host for this program.

The City's economic development efforts include assisting entrepreneurs with starting up their businesses and growing them to reach their full potential. SCORE Business Education Series brings you information on a wide range of topics. Whether you are an established business or just starting out, we hope you find these seminars and workshops valuable and that this workbook will be a resource guide for current and future use. This education series is intended to help your business grow and prosper.

If you'd like to get in touch with the City's Office for Business Growth, please contact me at 505-955-6912 or [ftrujillo@santafenm.gov](mailto:ftrujillo@santafenm.gov).

Again, we appreciate your participation.

Warm Regards,

Fabian Trujillo

Office for Business Growth Manager

# APRIL 7, 2020 – CITY OF SANTA FE WEBINAR – COVID-19

## TODAY'S SPEAKERS

### **Francesca Di Palma**

Constituent Services Representative/Community Liaison  
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### **Johanna Nelson**

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### **John Garcia**

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U.S. Small Business Administration  
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### **Russell Wyrick**

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# CITY OF SANTA FE COVID-19 WEBINAR AGENDA

## **Meeting Opening**

**Welcome** Mayor Alan Webber

## **Overview of Federal CARES ACT**

Francesca Di Palma – Office of Senator Tom Udall

## **COVID-19 Unemployment Relief & Help for Self Employed, Independent Contractors & GIG Economy Workers**

Bill McCamley –Secretary New Mexico Department of Workforce Solutions

## **NM COVID-19 Business Loan Guarantee Program**

Johanna Nelson – NM Economic Development

## **SBA COVID-19 Programs Including Small Business Assistance Details About the CARES Act & How to Find Help**

John Garcia, New Mexico SBA & Russell Wyrick, SBDC

## **Questions & Answers**

Use the chat button at the bottom of the screen to write your questions.  
Questions will be read to the panel members for answers.

## **Closing Comments**

Rich Brown – Director Economic Development Division

## **Meeting Adjourned**



## **The Small Business Owner's Guide to the CARES Act**

The programs and initiatives in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* that was just passed by Congress are intended to assist business owners with whatever needs they have right now. When implemented, there will be many new resources available for small businesses, as well as certain non-profits and other employers. This guide provides information about the major programs and initiatives that will soon be available from the Small Business Administration (SBA) to address these needs, as well as some additional tax provisions that are outside the scope of SBA.

To keep up to date on when these programs become available, please stay in contact with your local Small Business Administration (SBA) District Office, which you can locate [here](#).

**Struggling to get started?** The following questions might help point you in the right direction. Do you need:

- **Capital to cover the cost of retaining employees?** Then the [Paycheck Protection Program](#) might be right for you.
- **A quick infusion of a smaller amount of cash to cover you right now?** You might want to look into an [Emergency Economic Injury Grant](#).
- **To ease your fears about keeping up with payments on your current or potential SBA loan?** The [Small Business Debt Relief Program](#) could help.
- **Just some quality, free counseling to help you navigate this uncertain economic time?** The [resource partners](#) might be your best bet.

**Already know what resources you're looking for?** The table of contents can direct you to more information about the program or assistance product you need.

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## **Paycheck Protection Program (PPP) Loans**

The program would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis. PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls. **Loans are available through June 30, 2020.**

### **FREQUENTLY ASKED QUESTIONS**

**QUESTION: What types of businesses and entities are eligible for a PPP loan?**

Answer:

- Businesses and entities must have been in operation on February 15, 2020.
- Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable [size standard](#) in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

**QUESTION: What are affiliation rules?**

Answer:

Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see [this resource](#) for more on these rules and how they can impact your business's eligibility.

**QUESTION: What types of non-profits are eligible?**

Answer:

In general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer as most non-profit SBA size standards are based on revenue, not employee number. You can check [here](#).

**FAQ's continue on the next page!**

<p><b>QUESTION:</b></p> <p>Answer:</p>	<p><b>How is the loan size determined?</b></p> <p>Depending on your business’s situation, the loan size will be calculated in different ways (see below). The maximum loan size is always <b>\$10 million</b>.</p> <ul style="list-style-type: none"> <li>• <b>If you were in business February 15, 2019 – June 30, 2019:</b> Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.</li> <li>• <b>If you were <u>not</u> in business between February 15, 2019 – June 30, 2019:</b> Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.</li> <li>• <b>If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020</b> and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.</li> </ul>
<p><b>QUESTION:</b></p> <p>Answer:</p>	<p><b>What costs are eligible for payroll?</b></p> <ul style="list-style-type: none"> <li>• Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)</li> <li>• Payment for vacation, parental, family, medical, or sick leave</li> <li>• Allowance for dismissal or separation</li> <li>• Payment required for the provisions of group health care benefits, including insurance premiums</li> <li>• Payment of any retirement benefit</li> <li>• Payment of State or local tax assessed on the compensation of employees</li> </ul>
<p><b>QUESTION:</b></p> <p>Answer:</p>	<p><b>What costs are <u>not</u> eligible for payroll?</b></p> <ul style="list-style-type: none"> <li>• Employee/owner compensation over \$100,000</li> <li>• Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code</li> <li>• Compensation of employees whose principal place of residence is outside of the U.S.</li> <li>• Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the <a href="#"><u>Families First Coronavirus Response Act</u></a></li> </ul>
<p><b>QUESTION:</b></p> <p>Answer:</p>	<p><b>What are allowable uses of loan proceeds?</b></p> <ul style="list-style-type: none"> <li>• Payroll costs (as noted above)</li> <li>• Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums</li> <li>• Employee salaries, commissions, or similar compensations (see exclusions above)</li> <li>• Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)</li> <li>• Rent (including rent under a lease agreement)</li> <li>• Utilities</li> <li>• Interest on any other debt obligations that were incurred before the covered period</li> </ul>

<b>QUESTION:</b>	<b>What are the loan term, interest rate, and fees?</b>
Answer:	For any amounts not forgiven, the maximum term is 10 years, the maximum interest rate is 4 percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).
<b>QUESTION:</b>	<b>How is the forgiveness amount calculated?</b>
Answer:	<p>Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8 week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):</p> <ul style="list-style-type: none"> <li>• Payroll costs <b>plus</b> any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) <b>plus</b> any payment on any covered rent obligation <b>plus</b> and any covered utility payment.</li> </ul>
<b>QUESTION:</b>	<b>How do I get forgiveness on my PPP loan?</b>
Answer:	<p>You must apply through your lender for forgiveness on your loan. In this application, you must include:</p> <ul style="list-style-type: none"> <li>• Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.</li> <li>• Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.</li> <li>• Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program’s guidelines for use.</li> </ul>
<b>QUESTION:</b>	<b>What happens after the forgiveness period?</b>
Answer:	Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 10 years, at a maximum interest rate of 4%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.
<b>QUESTION:</b>	<b>Can I get more than one PPP loan?</b>
Answer:	No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.
<b>QUESTION:</b>	<b>Where should I go to get a PPP loan from?</b>
Answer:	All current SBA 7(a) lenders (see more about <a href="#">7(a) here</a> ) are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.



**QUESTION: How does the PPP loan coordinate with SBA's existing loans?**

Answer: Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from [Small Business Investment Corporations](#) (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP loan to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

**QUESTION: How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?**

Answer: [Emergency Economic Injury Grant](#) and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the [Small Business Debt Relief Program](#) may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.

## **Small Business Debt Relief Program**

This program will provide immediate relief to small businesses with non-disaster SBA loans, in particular 7(a), 504, and microloans. Under it, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

<b>FREQUENTLY ASKED QUESTIONS</b>	
<b>QUESTION:</b> Answer:	<b>Which SBA loans are eligible for debt relief under this program?</b> 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans. Disaster loans are not eligible (see <a href="#">p. 7</a> for more information on these).
<b>QUESTION:</b> Answer:	<b>How does debt relief under this program work with a PPP loan?</b> Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.
<b>QUESTION:</b> Answer:	<b>How do I know if I'm eligible for a 7(a), 504, or microloan?</b> In general, businesses must meet <a href="#">size standards</a> , be based in the U.S., be able to repay, and have a sound business purpose. To check whether your business is considered small, you will need your business's 6-digit North American Industry Classification System (NAICS) code and 3-year average annual revenue. Each program has different requirements, see <a href="https://www.sba.gov/funding-programs/loans">https://www.sba.gov/funding-programs/loans</a> for more details.
<b>QUESTION:</b> Answer:	<b>What is a 7(a) loan and how do I apply?</b> 7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit <a href="#">this site</a> to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called <a href="#">Lender Match</a> to help find a lender near you.
<b>QUESTION:</b> Answer:	<b>What is a 504 loan and how do I apply?</b> The <a href="#">504 Loan Program</a> provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called <a href="#">Lender Match</a> to help find a lender near you.
<b>QUESTION:</b> Answer:	<b>What is a microloan and how do I apply?</b> The <a href="#">Microloan Program</a> provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called <a href="#">Lender Match</a> to help find a microlender near you.
<b>QUESTION:</b> Answer:	<b>I am unfamiliar with SBA loans, can anyone help me apply?</b> Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center <a href="#">here</a> .

## **Economic Injury Disaster Loans & Emergency Economic Injury Grants**

These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

### **FREQUENTLY ASKED QUESTIONS**

<b>QUESTION:</b>	<b>Are businesses and private non-profits in my state eligible for an EIDL related to COVID-19?</b>
Answer:	Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.
<b>QUESTION:</b>	<b>What is an EIDL and what is it used for?</b>
Answer:	EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment at the Administrator’s discretion, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
<b>QUESTION:</b>	<b>Who is eligible for an EIDL?</b>
Answer:	Those eligible are the following with 500 or fewer employees: <ul style="list-style-type: none"><li>• Sole proprietorships, with or without employees</li><li>• Independent contractors</li><li>• Cooperatives and employee owned businesses</li><li>• Tribal small businesses</li></ul> Small business concerns and small agricultural cooperatives that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of <b>any</b> size. See <a href="#">below</a> for more info on size standards.
<b>QUESTION:</b>	<b>My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?</b>
Answer:	Yes, if you are a private non-profit with an effective ruling letter from the IRS, granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954, <b>or</b> if you can provide satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law. However, a recipient that is principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs, whether in a religious or secular setting, or primarily engaged in political or lobbying activities is not eligible to receive an EIDL. If you are uncertain whether you qualify, please consult with legal counsel to determine whether your organization meets program criteria.
<b>QUESTION:</b>	<b>Who is eligible for an Emergency Economic Injury Grant?</b>
Answer:	Those eligible for an EIDL and who have been in operation since <b>January 31, 2020</b> , when the public health crisis was announced.

**FAQ’s continue on the next page!**

<b>QUESTION:</b>	<b>How long are Emergency Economic Injury Grants available?</b>
Answer:	<b>January 31, 2020 – December 31, 2020.</b> The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.
<b>QUESTION:</b>	<b>If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?</b>
Answer:	Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. However, you cannot use your EIDL for the same purpose as your PPP loan. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.
<b>QUESTION:</b>	<b>How do I know if my business is a small business?</b>
Answer:	Please visit <a href="https://www.sba.gov/size-standards/">https://www.sba.gov/size-standards/</a> to find out if your business meets SBA's small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business's 3-year average annual revenue.
<b>QUESTION:</b>	<b>How do I apply for an economic injury disaster loan?</b>
Answer:	To apply for an EIDL online, please visit <a href="https://disasterloan.sba.gov/ela/">https://disasterloan.sba.gov/ela/</a> . Your <a href="#">SBA District Office</a> is an important resource when applying for SBA assistance.
<b>QUESTION:</b>	<b>I am unfamiliar with the EIDL process, can anyone help me apply?</b>
Answer:	Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at <a href="https://www.sba.gov/local-assistance/find/">https://www.sba.gov/local-assistance/find/</a> .

## **Counseling & Training**

If you, like many small business owners, need a business counselor to help guide you through this uncertain time, you can turn to your local Small Business Development Center (SBDC), Women’s Business Center (WBC), or SCORE mentorship chapter. These resource partners, and the associations that represent them, will receive additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19. There will soon be a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses. To find a local resource partner, visit <https://www.sba.gov/local-assistance/find/>.

In addition, the Minority Business Development Agency’s Business Centers (MBDCs), which cater to minority business enterprises of all sizes, will also receive funding to hire staff and provide programming to help their clients respond to COVID-19. Not every state has a MBDC. To find out if there is one that services your area, visit [this site](#).

<b>FREQUENTLY ASKED QUESTIONS</b>	
<b>QUESTION:</b>	<b>Do I have to pay for counseling and training through SBDCs, WBCs, and MBDCs?</b>
Answer:	Counseling is free and training is low-cost with these partners. The additional funds that Congress provided will help keep this possible. Mentorship through SCORE is always free.
<b>QUESTION:</b>	<b>What is a SBDC?</b>
Answer:	SBDCs are a national network of nearly 1,000 centers that are located at leading universities, colleges, state economic development agencies and private partners. They provide counseling and training to new and existing businesses. Each state has a lead center that coordinates services specifically for that state, which you can find by clicking the link above. To find out more about SBDCs, visit <a href="https://americassbdc.org/about-us/">https://americassbdc.org/about-us/</a> .
<b>QUESTION:</b>	<b>What is a WBC; is it only for women?</b>
Answer:	WBCs are a national network of more than 100 centers that offer one-on-one counseling, training, networking, workshops, technical assistance and mentoring to entrepreneurs on numerous business development topics. In addition to women, WBCs are mandated to serve the needs of underserved entrepreneurs, including low-income entrepreneurs. They often offer flexible hours to meet the needs of their diverse clientele. To find out more about WBCs, visit <a href="https://www.awbc.org/">https://www.awbc.org/</a> .
<b>QUESTION:</b>	<b>What is SCORE?</b>
Answer	SCORE provides free, confidential business advice through our volunteer network of 10,000+ business experts. You can meet with a mentor online. Find out more <a href="#">here</a> .
<b>QUESTION:</b>	<b>Who do MBDCs serve?</b>
Answer:	MBDCs are a good option for minority-owned businesses (including those owned by Black, Hispanic, Asian American/Pacific Islander, and American Indian business owners), especially those seeking to penetrate new markets — domestic & global — and grow in size and scale.

## **Contracting**

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business. Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave. The contractors eligible are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.

If you need additional assistance, please reach out to your [local](#) Small Business Development Center, Women's Business Center, SCORE chapter, or SBA District Office. You should also work with your agency's contracting officer, as well as the agency's Office of Small and Disadvantaged Business Utilization (OSDBU).

## **Small Business Tax Provisions**

### **Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship**

This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).

- **The credit is not available to employers receiving assistance through the [Paycheck Protection Program](#). The credit is provided through December 31, 2020.**

### **Delay of Payment of Employer Payroll Taxes**

This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.

- **Deferral is not provided to employers receiving assistance through the [Paycheck Protection Program](#).**

# NMDWS Unemployment Update

- Weekly Data. Fri March 27- April 2.
  - 28,000 new 1<sup>st</sup> time claims. Down from 32,000 last week.
  - 44,000 certifications.
  - Will reach same amount of people on UI in 4 weeks that took 2 years in Great Recession.
  
- Online Push.
  - <https://jobs.state.nm.us>
  
- Call on Certain Days
  - Last digit Soc Sec #. 0-3 Mon, 4-6 Tue, 7-9 Wed. Thu-Fri for people who missed their day.



# CARES Act

- Pandemic Unemployment Compensation- \$600 on top of regular unemployment.
- Pandemic Unemployment Assistance (PUA)- Allows Unemployment for self-employed individuals and those who have exhausted benefits.
- Received guidance from US Dept of Labor last weekend on specific rules for implementation.
- Will take a few weeks to understand them, change our software, and train our employees.
- DWS estimates 62,000 people could be eligible.



**EDD**

ECONOMIC  
DEVELOPMENT  
DEPARTMENT

NEW MEXICO ECONOMIC  
DEVELOPMENT DEPARTMENT  
STRATEGIC PROGRAM  
DEVELOPMENT  
JOHANNA NELSON



# COVID-19 BUSINESS LOAN GUARANTEE PROGRAM

NMEDD can guarantee a portion of a loan or line of credit up to 80% of principal or up to an amount of \$50,000.

Loan proceeds are flexible and can be used for (and not limited to) the following: working capital, inventory, payroll.

NMEDD will guarantee loan up to 24 months.

NOT limited to industry, length of time in business, number of employees.

Business discloses how they are negatively impacted in application.

# PROCESS

1. Borrower approaches lender
2. **Lender applies to program**
3. Lender and NMEDD sign guaranty agreement
4. Lender makes the loan
5. NMEDD guarantees the loan in case of default

NMEDD will try to get lender a response within 24 hours.

# COVID-19 BUSINESS LOAN GUARANTY PROGRAM

Lenders can apply online at

<https://gonm.biz/about-us/covid-19-response>

Contact [EDD-Finance@state.nm.us](mailto:EDD-Finance@state.nm.us), 505-469-6204 or [mark.roper@state.nm.us](mailto:mark.roper@state.nm.us),  
575-562-0327

# COVID-19 BUSINESS RESOURCES

**NMEDD will provide updates regarding business resources here:**

<https://gonm.biz/about-us/covid-19-response>

**Federal resources:**

<https://www.usa.gov/coronavirus#item-214586>

**Technical assistance, emergency planning:**

NM Small Business Development Centers: <http://www.nmsbdc.org/>

WESST: <https://www.wesst.org/>

SCORE: <https://albuquerque.score.org/>

MEP: <https://newmexicomep.org/>

The Loan Fund: <https://www.loanfund.org/>

# SEEKING SPECIAL PROGRAMS AND ASSISTANCE

NMEDD is compiling a list of special programs and assistance for businesses negatively affected by COVID-19, kept here:

<https://gonm.biz/about-us/covid-19-response>

Please immediately send us information if you would like your program or your information included. Send to [Johanna.nelson@state.nm.us](mailto:Johanna.nelson@state.nm.us)

## **Include:**

- 1. Org name**
- 2. Brief program summary (no more than 1-2 sentences)**
- 3. Eligibility (geographic area, etc.)**
- 4. Point of contact name**
- 5. Phone**
- 6. Email**
- 7. Website or application link**

# STAY CONNECTED

Visit our website at <https://gonm.biz>

[Click here](#) to join our mailing list

[Facebook](#)

[Twitter](#)



# LEDA ZERO-PERCENT INTEREST LOANS

Limited to expenditures for land, building, and infrastructure

Can be used for lease abatement or mortgage assistance

Company must be a qualified entity (manufacturer, non-retail service business with more than 50% of revenue generated out of state, or a retail business in a community or less than 15,000 in population)

All loans will be required to provide security equal to the amount of the loan

For assistance with LEDA loans, [find & contact your Regional Representative](#), or contact Mark Roper, [Mark.Roper@state.nm.us](mailto:Mark.Roper@state.nm.us) or 575.562.0327

# REGIONAL REPRESENTATIVES

- **Cibola, McKinley, San Juan and Sandoval counties**, contact Lorraine Ruggles, 505.490.7662 or [Lorrainel.Ruggles@state.nm.us](mailto:Lorrainel.Ruggles@state.nm.us).
- **Los Alamos, Rio Arriba and Taos counties**, contact Peter Mitchell, 505.827.2199 or [Peter.Mitchell@state.nm.us](mailto:Peter.Mitchell@state.nm.us)
- **Bernalillo, Santa Fe, Torrance and Valencia counties**, contact Max Gruner, 505.412.5036 or [Max.Gruner@state.nm.us](mailto:Max.Gruner@state.nm.us)
- **Colfax, Guadalupe, Harding, Mora, Quay, San Miguel and Union counties**, contact Tim Hagaman, 505.862.2322 or [Tim.Hagaman@state.nm.us](mailto:Tim.Hagaman@state.nm.us)
- **Catron, Dona Ana, Grant, Luna, Sierra and Socorro counties**, contact Christine Logan, 575.373.5602 or [Chirstine.Logan@state.nm.us](mailto:Chirstine.Logan@state.nm.us)
- **Chaves, Curry, De Baca, Eddy, Lea, Lincoln, Otero and Roosevelt counties**, contact Susie Russell, 575.626.6653 or [Susanl.Russell@state.nm.us](mailto:Susanl.Russell@state.nm.us)

# NMEDD CONTACTS

John Clark, Deputy Director, [Jon.Clark@state.nm.us](mailto:Jon.Clark@state.nm.us)

Mark Roper, Economic Division Director, [Mark.Roper@state.nm.us](mailto:Mark.Roper@state.nm.us)

Johanna Nelson, Finance Development Specialist, [Johanna.Nelson@state.nm.us](mailto:Johanna.Nelson@state.nm.us)

Click below to view the regional representative in your area:

[Regional Representatives online](#)



# QUESTIONS?

New Mexico Economic Development Dept.: <https://gonm.biz/about-us/covid-19-response>

Dept. of Workforce Solutions: <https://www.dws.state.nm.us/en-us/>

New Mexico Small Business Administration: <https://www.sba.gov/offices/district/nm/albuquerque>

Office of the Governor Michelle Lujan Grisham: <https://www.governor.state.nm.us/>

New Mexico Department of Health: <https://nmhealth.org/>





# Navigate COVID-19

Russell Wyrick



Executive State Director

New Mexico Small Business Development Center network

- New Mexico SBDC
- Procurement Technical Service Center
- International Business Accelerator
- Technology Commercialization Accelerator



## Getting Assistance

### **New Mexico SBDC** Small Business Development Center

- No cost, one on one business counseling via phone, web conferencing, or email.
- No cost, live webinar trainings on SBA loan programs, and important COVID-19 related small business challenges.  
(Starting 4/6/2020)

To register for counseling or training visit:

**[NMSBDC.org](https://www.NMSBDC.org)**



# SBA Coronavirus Relief Options



**EIDL Loan Advance**



**Paycheck Protection Program**



**SBA Express Bridge Loans**



**SBA Debt Relief**



## SBA Debt Relief



### **SBA Debt Relief**

- The SBA will automatically pay the principal, interest, and fees of current 7(a) loans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a) loans issued prior to September 27, 2020.





## SBA Express Bridge Loans



### SBA Express Bridge Loans

- Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.
- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan



# Paycheck Protection Program



## Paycheck Protection Program

- Loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.
- A temporarily expansion of the traditional SBA 7(a) loan guarantee program that will be available through June 30, 2020
- SBA will forgive PPP loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
- Will be able to apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once approved and enrolled in the program. (PPP lenders and final rule lender guidance is still a work in progress 4/3/2020)
- Lenders may begin processing loan applications as soon as April 3, 2020.



# Paycheck Protection Program



## Paycheck Protection Program

- For any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/ COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.
- Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.



# Paycheck Protection Program



## Paycheck Protection Program

- The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll).
- Loan payments will also be deferred for six months.
- No collateral or personal guarantees are required.
- Neither the government nor lenders will charge small businesses any fees.
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.
- This loan has a maturity of 2 years and an interest rate of 1%.



# Paycheck Protection Program



## Paycheck Protection Program

- If you wish to begin preparing your application, you can download a copy of the PPP borrower application form from SBA.gov website to see the information that will be requested from you when you apply with a lender.

The image shows a portion of the SBA Form 1582, the Paycheck Protection Program Borrower Application Form. It includes sections for 'Borrower Information', 'Business Information', and 'Payroll Information'. The 'Payroll Information' section contains a table with columns for 'Average Monthly Payroll', '2019-2020', '2020', and 'Number of Employees'. Below this, there are checkboxes for 'Payroll of the loan' and 'List all sources of 2019 or most of the apply of the Applicant'. The form also includes a 'Certification' section with several numbered questions regarding the applicant's status and the use of the loan proceeds.



# Economic Injury Disaster Loan



## EIDL Loan Advance

- Economic Injury Disaster Loan advance of up to \$10,000 to businesses currently experiencing temporary loss of revenue due to COVID-19.
- Businesses in all U.S. states, Washington D.C., and territories are eligible to apply.
- Will be made available within three days of a successful application. (April 11, 2020)
- This loan advance will not have to be repaid.
- Payments deferred for 12 months



# Economic Injury Disaster Loan



## EIDL Loan Advance

- Any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- Certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.
- Funds will be made available within three days of a successful application, and this loan will not have to be repaid. Lenders may begin processing loan applications as soon as April 3, 2020



# Economic Injury Disaster Loan

## **COVID-19 EIDL**

- Eligible entities may qualify for up to \$2 million.
- Interest rates for the COVID-19 EIDL are 3.75% for small businesses and 2.75% for nonprofit organizations
- COVID-19 EIDL provides repayment terms up to 30 years
- COVID-19 EIDL payments are deferred for the first 12 months





# Economic Injury Disaster Loan

## COVID-19 EIDL

### COVID-19 EIDL may be used for:

- Working Capital
- to pay fixed debts
- payroll
- accounts payable
- bills that could have been paid had the disaster not occurred

These loans are not intended to replace lost sales or profits or for expansion.



## Getting Assistance

### SBA Resource Partners



U.S. Small Business  
Administration

*Your SBA Resource Partners*



- New Mexico SBDC
- WESST
- SCORE
- VBOC



## Avoid Scams and Fraud Schemes

If you are contacted by someone promising to get approval of an SBA loan, but requires any payment up front or offers a high interest bridge loan in the interim, suspect fraud.

### Phishing

- If you are in the process of applying for an SBA loan and receive email correspondence asking for personally identifiable information (PII), ensure that the referenced application number is consistent with the actual application number
- Look out for phishing attacks/scams utilizing the SBA logo. These may be attempts to obtain your PII, to obtain personal banking access, or to install ransomware/malware on your computer
- Any email communication from SBA will come from accounts ending with [sba.gov](mailto:sba.gov)
- The presence of an SBA logo on a webpage does not guaranty the information is accurate or endorsed by SBA. Please cross-reference any information you receive with information available at [www.sba.gov](http://www.sba.gov)
- Beware of any email or website, etc. ending in “**sba.help**”

# **NEED HELP WITH THE CARES ACT?**

## **HERE ARE ORGANIZATIONS YOU CAN CALL ON FOR HELP**

SCORE Santa Fe & Northern New Mexico

Santa Fe Business Incubator

3900 Paseo del Sol

Santa Fe, NM

[www.santafe.score.org](http://www.santafe.score.org)

505-988-6302

Small Business Development Center

Higher Education Center

1950 Siringo Rd

Santa Fe, NM

[www.nmsbdc.org](http://www.nmsbdc.org)

505-428-1343

WESST

Santa Fe Business Incubator

3900 Paseo del Sol

Santa Fe, NM

[www.WESST.org](http://www.WESST.org)

800-GO-WESST

Regional Development Corporation

706 Bond Street

Espanola, NM

[www.rdcnm.org](http://www.rdcnm.org)

505-820-1226

# Score With Our Mentoring Help to Grow Your Business.

**IF YOU'RE** starting, selling or buying a new business, founding a nonprofit, or want to take your venture to the next level, you don't have to go it alone. SCORE Santa Fe can provide information and tools to help you build and sustain your organization.

**WHAT IS SCORE** - We are a nonprofit resource partner of the U.S. Small Business Administration. We provide a wide range of products and services to Santa Fe's small business entrepreneurs and not-for-profit organizations. These include FREE and confidential mentoring, as well as seminars and workshops sponsored by the Santa Fe Economic Development Department. We're also partners with the Santa Fe Community Foundation.

**ON MARCH 27**, the President signed into law the CARES Act that contains \$376 billion in relief for American workers and small businesses that have been affected by the Coronavirus (Covid-19) outbreak. SCORE's subject matter experts can provide guidance to clients in navigating through the various programs provided by the SBA (Small Business Administration) and other organizations on the local, state and federal levels.



SCORE Santa Fe & Northern New Mexico  
Montoya Federal Building, 120 S. Federal Place, Suite #307, Santa Fe, NM 87501  
Santa Fe Business Incubator, 3900 Paseo del Sol, Santa Fe, NM 87507

Telephone: 505-988-6302 • Email: [info@santafescore.org](mailto:info@santafescore.org) • Website: [www.santafe.score.org](http://www.santafe.score.org)

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# IF YOU ARE TALKING TO US, YOU ARE SERIOUS ABOUT SUCCESS.

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This Event Offered by the City of Santa Fe, Santa Fe County & SCORE Santa Fe



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