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April 3, 2020

## Economic Injury Disaster Loan

### **The following information came from the Small Business Administration.**

Economic Injury Disaster Loan Information:

- The EIDL (Economic Injury Disaster Loan) now offers up to a \$10,000 grant (loan advance) which does not need to be repaid if the money is spent on paid leave, maintaining payroll, increased costs due to supply chain disruption, mortgage or lease payments or repaying obligations that cannot be met due to revenue losses. The website to directly apply is: [covid19relief.sba.gov/#/](https://covid19relief.sba.gov/#/)
- Important: The grant is a new aspect of the EIDL loan, so if you applied prior to the grant being offered, you must reapply to request consideration for the grant at the website listed above.
- Funds for the loan advance will be made within 3 days of a successful application and will not have to be repaid.
- The interest rate for the remainder of the loan awarded is 3.75%.
- Businesses can get both an EIDL loan and Paycheck Protection Program loan as long as they don't pay the same expenses. Be sure to check with your financial advisor or lender before taking both loans if you are not sure of the specifics.

### Paycheck Protection Program

- How does the program work?

Currently, the SBA guarantees small business loans that are given out by a network of more than 800 lenders across the U.S. The Paycheck Protection Program creates a type of emergency loan that can be forgiven when used to maintain payroll through June and expands the network beyond SBA so that more banks, credit unions and lenders can issue those loans. The basic purpose is to incentivize small businesses to not lay off workers and to rehire laid-off workers that lost jobs due to COVID-19 disruptions.

- What types of businesses are eligible?

The Paycheck Protection Program offers loans for small businesses with fewer than 500 employees, select types of businesses with fewer than 1,500 employees, 501(c)(3) non-profits with fewer than 500 workers and some 501(c)(19) veteran organizations. Additionally, the self-employed, sole proprietors, and freelance and gig economy workers are also eligible to apply. Businesses, even without a personal guarantee or collateral, can get a loan as long as they were operational on February 15, 2020.

- How big of a loan can I get and what are the terms?

The maximum loan amount under the Paycheck Protection Act is \$10 million, with an interest rate no higher than 4%. No personal guarantee or collateral is required for the loan. The lenders are expected to defer fees, principal and interest for no less than six months and no more than one year.

- Can these loans be forgiven?

Yes, small businesses that take out these loans can get some or all of their loans forgiven. Generally speaking, as long as employers continue paying employees at normal levels during the eight weeks following the origination of the loan, then the amount they spent on payroll costs (excluding costs for any compensation above \$100,000 annually), mortgage interest, rent payments and utility payments can be combined and that portion of the loan will be forgiven.

Small business owners can apply right now for the EIDL loan, but as of this date, the CARES Act is still being enacted and isn't available right now — but will be soon.

One-time \$500 grant for restaurant workers

- This grant application opens April 2 and funds will be administered on a first come, first served basis. To apply and for more information visit: <https://rerf.us/>

Please reach out to us if we can assist you in any way. As mentioned above, the CARES Act is still being enacted and both programs are evolving but we will do our best to keep business owners informed of the latest information.

We are actively working with our partners at Business Oregon, the SBA, lenders, Chambers of Commerce and other business organizations. We can be reached by calling 541-889-6216 or by email at [malheurcountyedc@gmail.com](mailto:malheurcountyedc@gmail.com).

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