

Small Business Assistance for Alabama

Below are some helpful resources for Alabama businesses that are impacted by the COVID-19 virus.

Small Business Administration (SBA) Offices & Phone Numbers in Alabama

Birmingham District Office

SBA District Office
2 North 20th Street Suite
#325
Birmingham, AL 35203
(205) 290-7101
(205) 290-7404
[Visit website](#)

Mobile District Office

SBA District Office
1141 Montlimar Drive, Suite 1007
Mobile, AL 36609
(270) 816-3543
[Visit website](#)

For Your Small Business and Loan Guidance Resources, go to the SBA's website: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

In addition to Small Businesses, Non-Profits are eligible for loans and grants

All 501 (c)(3) non-profits with 500 employees or fewer, or more if SBA's size standards for the non-profit allows. Please visit <https://www.sba.gov/size-standards/> to find out if your non-profit's SBA size standards by number of employees. For example, churches and museums with fewer than 500 employees are eligible. You need the six-digit North American Industry Classification Code for your business.

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Economic Injury Disaster Loan (EIDL) Program

On March 25, 2020, Governor Kay Ivey announced small businesses across Alabama negatively impacted by the coronavirus pandemic are eligible for assistance under the SBA's (EIDL) Program.

- This program provides small businesses with work capital loans of up to \$2 million that carry interest rates up to 3.75% for companies and up to 2.75% for nonprofits, as well as principal and interest deferment for up to four years.
- These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and may be used to pay for expenses including payroll and other operating expenses.
- Find more information here: <https://disasterloan.sba.gov/ela/>

Emergency Economic Injury Grants

The Coronavirus Stimulus provides a \$10,000 grant to small businesses and nonprofits that apply for an SBA economic injury disaster loan (EIDL) within three days of applying for the loan.

- The EIDL grant does not need to be repaid, even if the grantee is subsequently denied an EIDL, and may be used to provide paid sick leave to employees, maintaining payroll, meet increased production costs due to supply chain disruptions, or pay businesses obligations, including debts, rent and mortgage payments.
- Eligible grant recipients must have been in operation on January 31, 2020.
- The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors, tribal businesses, as well cooperatives and employee-owned businesses.
- A business that receives an EIDL between January 31, 2020 and June 30, 2020 as a result of a COVID-19 disaster declaration is eligible to apply for a Paycheck Protection Program (PPP) loan or the business may refinance their EIDL into a PPP loan (See below for more about this program).
- The emergency EIDL grant award of up to \$10,000 would be subtracted from the amount forgiven in the Paycheck Protection Program.

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Debt Relief for Existing and New SBA Borrowers

The Coronavirus Stimulus provides immediate relief to small businesses with standard SBA 7(a), 504, or micro-loans.

- The SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months.
- This relief will also be available to new borrowers who take out an SBA loan within six months after the President signs the bills.
- Banks are also encouraged to provide further relief to small businesses borrowers by allowing them to extend the duration of existing loans beyond existing limits; and enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements.
- While SBA borrowers are receiving the six months debt relief, they may apply for a PPP loan that provides capital to keep their employees on the job.
- The six months of SBA payment relief may not be applied to payments on PPP loans.
- The Coronavirus Stimulus also includes a permanent fix that allows SBA to waive fees for veterans and their spouses in the 7(a) Express Loan Program, regardless of the President's budget
 - Under current law, SBA may only waive fees on 7(a) Express Loans to veterans when the President's budget does not project a cost above zero for the overall 7(a) loan program

Paycheck Protection Program

The Coronavirus Stimulus creates the Paycheck Protection Program (PPP) to provide small businesses and other entities with zero-fee loans of up to \$10 million

- Up to 8 weeks of average payroll and other costs will be forgiven if the business retains its employees and their salary levels.
- Principal and interest is deferred for up to a year and all borrower fees are waived.
- The SBA Administration will set a cap on how much a bank can earn to process loan applications and prioritize underserved borrowers, including those in rural communities, minorities, women, and veterans.

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Paid Leave for Government Contractors

The Coronavirus Stimulus provides paid leave for employees working on small business contracts with the federal government.

- Agencies can modify the terms of a contract to reimburse small business contractors for the cost of providing paid leave, including sick leave, to employees or subcontractors unable to perform work on-site due to a facility closure and cannot telework.

Resources for Business Counseling Services

Small business have even fewer resources to dedicate to navigating the economic impacts of COVID-19 and have limited access to reliable counseling and mentorship services.

- Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs), as well as the Minority Business Development Agency's Business Centers (MBDCs), have been given grants to hire staff and provide programming to help small businesses and minority-owned businesses respond to COVID-19.
- The associations that represent SBDCs and WBCs will create a joint platform that consolidates information and resources related to COVID-19 in order to provide consistent, timely information to small businesses.
- The SCORE mentoring program and Veterans Business Outreach Center program are encouraged to use the platform and participate in the COVID-19 education sessions for their volunteer mentors and small business counselors.

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SBA Express Bridge Loans

- The program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork.
- The loans help overcome temporary loss of revenue and can be term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan.
- If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.
- Find more information here: <https://www.sba.gov/document/support-express-bridge-loan-pilot-program-guide>
 - Find an Express Bridge Loan Lender via SBA's Lender Match Tool or by connecting with your local SBA District Office.