



# Guide to Federal, State, and Local COVID-19 Disaster Loans and Grants for Oswego's Small Businesses

Corinna Cole, Economic Development Director | 630-551-2334 | [ccole@oswegoil.org](mailto:ccole@oswegoil.org) | [www.oswegoil.org/economic-development](http://www.oswegoil.org/economic-development)

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## WHAT LOANS AND GRANTS ARE AVAILABLE FOR MY BUSINESS?

There are multiple loans and grants available from the Federal government, State of Illinois, and the Village of Oswego.

The most money is available from the Federal Government created by the CARES Act, and as a result, businesses should begin by applying to Federal programs first, followed by State of Illinois programs, and then finally Village-run programs. This helps ensure businesses are getting the most funding for which they are eligible.

Below is a breakdown of Federal, state and local programs including what they offer and eligibility requirements.

### Questions?

We're here to help.

If you're not sure which programs may be suited to your situation, contact Economic Development Director Corinna Cole at 630-551-2334 or [ccole@oswegoil.org](mailto:ccole@oswegoil.org) or the Small Business Development Centers listed on page 6 of this guide.

**Disclaimer:** *This guide is designed to be an introduction to available programs and is not the definitive source of information on these or other available programs. Information on these programs is changing rapidly. While we are doing our best to maintain current information on this site, we recommend working with your lender or the government agency offering assistance to stay abreast of changes to application processes, deadlines, timelines for disbursement and more. There is also a list of contacts on page 6 that can help you with these programs. Refer to the websites of the government agency responsible for the loan or grant and make sure you understand the program fully before making any decisions.*



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## FEDERAL PROGRAMS

Federal programs offer the most funding, and businesses should apply to them first. The U.S. Senate has compiled an excellent resource called [The Small Business Owner's Guide to the CARES Act](#). This plain-language guide is designed to help small businesses understand and maximize their available benefits under the recently passed legislation and answers many frequently asked questions.

### Paycheck Protection Plan or "PPP"

The PPP has been reauthorized with an additional \$319 billion in forgivable loans to small businesses, including sole proprietorships, independent contractors, and nonprofits, to pay their employees during the COVID-19 crisis. The program is on a first-come first-served basis and you are encouraged to apply early. You can apply for a low-interest loan up to 250% of the value of your monthly payroll, capped at \$100,000 per employee, up to a maximum of \$10 million. Up to 100% of the principle of the loan will be forgiven if the loan is used to pay for payroll, mortgage interest payments, rent, or utilities for your business if you keep your employees on the payroll.

**How fast you could get funding:** Two weeks, according to the SBA

**Terms and eligibility:** This loan program offers forgiveness, but it has specific terms and rules you must follow. It is critical that you review the details at the [Treasury Department's website](#).

**How to apply:** This program is administered through banks. If you are interested in applying, first visit your current bank's online portal, whether you bank with them for personal or business use. Many banks are prioritizing their clients and will have information about whether they are able to offer these loans. If your bank doesn't offer PPP loans, contact one of the Small Business Development Centers listed on page 6 of this guide to find a PPP lender.

**Deadline to apply:** June 30, 2020, however, you are encouraged to apply as soon as possible.

### SBA Economic Injury Disaster Loans and Loan Advance (grant)

The Economic Injury Disaster Loan (EIDL) provides financial assistance to small businesses, including sole proprietorships, independent contractors, and nonprofits, that have temporarily lost revenue due to COVID-19. Businesses can apply for an advance of \$10,000, which is forgivable even if you do not get approved for the loan.

**How fast you could get funding:** Three to six weeks, according to the SBA.

**Terms and eligibility:** Find an overview and eligibility requirements at the [SBA's Economic Injury Disaster Loan Emergency Advance page](#). Because of the number of applicants and limited funds, restrictions may be in place on who can successfully apply for this program. Follow up with your SBA specialist or email [ccole@oswegoil.org](mailto:ccole@oswegoil.org) for more information.

**How to apply:** Complete the application at [covid19relief.sba.gov](https://covid19relief.sba.gov)

**Deadline to apply:** Dec. 31, 2020



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## *Can I apply for both the EIDL and the PPP?*

Yes. We encourage you to reach out to your tax professional or a Small Business Development Center (contact information below) for more information on how these programs work together. This is our current understanding:

- If you get a disaster EIDL loan, use it to pay payroll and mortgage and healthcare and utilities, then later apply for the PPP loan, you cannot get forgiven for those costs you've already covered under your disaster loan.
- If you received an EIDL loan related to COVID-19 between January 31, 2020, and the date at which the PPP becomes available, you must refinance the EIDL into the PPP. However, you may not take out an EIDL and a PPP for the same expenses. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness terms for a PPP loan, would remain a loan. If you took advantage of an emergency EIDL grant award of up to \$10,000, that amount would be subtracted from the amount forgiven under PPP.

## Payroll Tax Credits

The Treasury's website states that, "Tax credits are designed to encourage businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19."

Consult with your tax professional about these tax credits, especially if you plan to also apply for another Federal program. Credit may not be available to employers who take SBA loans.

You can find more information about these credits on the [Treasury's website](#).

## Programs for businesses with existing SBA loans

If you have an existing loan with the Small Business Association, you have additional options.

### *SBA Express Bridge Loans*

SBA Bridge Loans enable small businesses who have a business relationship with an SBA Express Lender to access up to \$25,000 quickly. This program is designed for use with an Economic Disaster Injury Loan. Learn more on the [SBA Express Bridge Loans page](#).



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## *SBA Debt Relief*

The SBA Debt Relief Program is *only* for businesses with a current loan with the SBA, including 7(a), 504, or microloans. The SBA will automatically pay for the principal, interest, and fees for a period of six months. Learn more on the [SBA Debt Relief page](#).

## STATE OF ILLINOIS

### Illinois Downstate Small Business Stabilization Program

The State of Illinois' Downstate Small Business Stabilization Program provides working capital funds to businesses economically impacted by the COVID-19 virus.

The program makes funds available for 60 days of verifiable working capital up to a grant ceiling of \$25,000, and is available for businesses that employ a least one person besides the owner, up to 50 people. These funds may be used to assist private for-profit small retail and service businesses, or businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely.

Businesses in the Village of Oswego must apply through the Village for access to these grants.

**How fast you could get funding:** This program is anticipated to be popular, and the application and decision process could take several weeks.

**Terms and eligibility:** This is a grant that will not need to be paid back unless in events of default. However, eligibility requirements are stringent and exceptions cannot be made. Review the details at <http://www.oswegoil.org/economic-development/downstate-stabilization.aspx>.

**How to apply:** Review the requirements and download the application at <http://www.oswegoil.org/economic-development/downstate-stabilization.aspx>. Return the completed application to [ccole@oswegoil.org](mailto:ccole@oswegoil.org).

**Deadline to apply:** Applications will be accepted by the Village of Oswego in batches. Refer to <http://www.oswegoil.org/economic-development/downstate-stabilization.aspx> for deadline updates.



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## Illinois Small Business Emergency Loan Fund

Under this program, small businesses in Illinois outside of Chicago with fewer than 50 workers and less than \$3 million in 2019 revenue can apply for low-interest loans of up to \$50,000. Loans must be used for working capital, such as payroll expenses, with at least 50% of loan proceeds applied to payroll or other eligible compensation.

**How fast you could get funding:** The Illinois DCEO expects high demand and is working to add additional lenders to the program. Check the [DCEO website](#) for updates.

**Terms and eligibility:** This is a loan that will need to be paid back. It is critical that you review the details at the Illinois DCEO's [Illinois Small Business Emergency Loan Fund webpage](#).

**How to apply:** Apply online at the [Illinois Small Business Emergency Loan Fund webpage](#).

**Deadline to apply:** Rolling basis, however, you are encouraged to apply as soon as possible while funding is still available.



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## VILLAGE OF OSWEGO

Local funds are limited, and these programs are designed to be a last resort for businesses in Oswego that may not be eligible for Federal or state dollars. For these reasons, we recommend beginning with Federal and State programs first, as they offer more available funding, and our staff can provide technical assistance with applying to Federal and state programs to help you maximize the funding you receive for your business.

### Rent Assistance

The Rent Assistance Loan Program, designed to both help small businesses and maintain the stability of Oswego's commercial real estate market, will award small loans to businesses shut down during the Stay at Home order to help them cover rent payments. Businesses can apply for up to 50% of their monthly lease for two months with a maximum loan of \$5,000, or for one month with a maximum loan of \$2,500. The total program budget is \$50,000.

### ReStart

The Restart Loan Program will loan businesses up to \$5,000 each to help businesses that had to close or substantially reduce their operations ramp up again. The low-interest loans can help fund purchasing inventory, early payroll costs, and other expenses businesses are likely to incur to get started again. The total program budget is \$50,000.

**How to apply:** Find more information and apply online at <http://www.oswegoil.org/economic-development/>.

**Deadline to apply:** Rolling basis, however, you are encouraged to apply as soon as possible while funding is still available.



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## TECHNICAL ASSISTANCE AND OTHER RESOURCES

If you have questions, there are multiple sources that can help. Visit any of the following sources for SBA-approved free assistance. The following entities are also approved to assist you with your applications to the EIDL:

- [Illinois Small Business Development Center at Waubonsee](#)
- [Women's Business Development Center](#)
- [Small Business Administration](#), directly

### *Get technical assistance from the Village of Oswego*

The Village of Oswego's Economic Development Department's goal is to assist as many Oswego businesses as possible locate and apply for resources to stabilize their businesses and our community's economic outlook as a whole. We can assist with:

- Matching your business' needs to programs for which you are eligible
- Answering your questions about Federal, state and local applications
- Addressing regulatory or other issues specific to doing business in Oswego during this crisis
- Connecting you to other organizations and resources that may be able to help

Contact Village of Oswego Economic Development Director Corinna Cole at 630-465-7060 or [ccole@oswegoil.org](mailto:ccole@oswegoil.org). Email is preferred to help offer you direction most efficiently.

### Additional reading

The Illinois Department of Commerce and Economic Opportunity has also developed this [SBA Coronavirus Pandemic Disaster Loans Comparison](#), a side-by-side comparison chart of the Federal programs described above.

### Avoid scams and fraud

Finally, there have already been reports of fraudulent websites and guides that may charge unnecessary fees or could harm small businesses. Only rely on websites or printed materials that come from reputable sources, such as websites that end in .gov, or from nationally recognized organizations, such as the U.S. Chamber of Commerce.

*This is a rapidly changing situation. All information and links to programs and resources was accurate at the time this document was produced, however, programs and resources are being continually updated. This document was last updated at 1:30 p.m. on May 15, 2020. To report updates and errors, email [ccole@oswegoil.org](mailto:ccole@oswegoil.org).*