



Investing in the growth
of small business

Paycheck Protection Program

A brief overview of ECDI's PPP
Lending Program



PPP Loan Program

Round 2 Funding



ECDI

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Program Overview

Overview of PPP

- Loan amount up to \$250,000 based on **payroll** expenses
- Loan is forgivable if you meet requirements
- Borrowers must be:
 - Eligible business entity (registered with state and have filed taxes)
 - In operation prior to 2/15/2020
- Deadline to apply is March 31st, 2021



Program Benefits

Benefits of PPP loans

- PPP loans **can be forgiven**
- If not forgiven:
 - 1% interest rate and 5-year term (for loans made after June 5, 2020)
 - Ample time is given before repayment begins
- No collateral or personal guarantees required
- There are no fees
- Forgiveness is not "all or nothing" - a portion can be forgiven if some use does not qualify



Program Requirements

Basic forgiveness requirements

- Maintain employee and compensation levels
- Spend at least 60% of loan funds on payroll costs
- Spend up to 40% of funds only on other eligible expenses
- Provide required forgiveness documentation before the end of your loan period



Program Requirements

Eligibility Requirements

First-time applicants

- Must registered with the state, and filed for taxes
 - Self-employed and contractors included, nonprofits included
- Must have been open on or before 2/15/20

Second draw applicants

- Used or will use your first draw PPP loan for eligible uses
- Has no more than 300 employees
- Can demonstrate at least 25% reduction in gross income between 2019 and 2020
- **NOTE:** *ECDI is not able to process – contact your first draw lender*

Eligible Uses of Funding

Expenses you can use PPP funding for

- Payroll costs (including benefits)
- Mortgage interest
- Rent
- Utilities
- Worker protection costs related to COVID-19
- Uninsured property damage costs caused by looting or vandalism during 2020
- Certain supplier costs and expenses for operations



Maximum Loan Amount

How to determine your max loan amount

- Payroll expenses (salaries, wages, vacation, sick pay, etc.) will be used to calculate your maximum loan amount
 - Important: Payroll expenses only are eligible (**not** revenue or income)
- Calculation sheets are available to help tabulate the amount

Use your tax records from either 2019 or 2020 (your choice) to make your calculation:

- _____ Start with total of salaries, wages, vacation, sick pay, etc. from W2 or W3 (do not include 1099 contractors)
- _____ Subtract salary more than \$100,000 per employee (maximum payroll for any individual may not exceed \$100,000)
- + _____ Add group health insurance premiums paid by your company
- + _____ Add retirement benefit costs paid by your company
- + _____ Add state and local taxes on employer compensation, paid by your company
- _____ = Total eligible payroll costs
- ÷ _____ Divide your total eligible payroll costs by 12 to determine your average monthly payroll costs
- x _____ Multiply your average monthly payroll costs by 2.5 to determine the maximum amount you can borrow for your PPP loan*

Covered Period

How to determine your covered period

- You are responsible to specify the length of time between when the funds are disbursed to you, and the date by which you will spend all your PPP loan funds
- You have 10 months after the end of the covered period to file for forgiveness before you are required to begin paying back your loan



Preparing for Forgiveness

How to make sure your loan is forgiven

During covered period

- Only use funds for eligible purposes
- Document the use of funds
 - Documentation is specific, so plan ahead

When applying for forgiveness

- All documentation must be submitted
 - With ECDI, it's submitted through the same portal as the application



Preparing for Forgiveness

When to file for forgiveness

- You must use all the loan funds before filing
- You can apply for forgiveness after the end of the covered period, up until the maturity date of the loan
 - We recommend you file for forgiveness after you have spent all the funds, but well before 10 months after the last day of your covered period



Preparing for Forgiveness

What happens if your loan is not forgiven

- If you are unable to fully meet the forgiveness requirements, the SBA may not forgive part or all of your loan.
- You will be required to repay any unforgiven portion at an interest rate of 1%, over five years.





ECDI - Loan Partner

PPP Administrator for all of Ohio



ECDI

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About ECDI

Nonprofit lender that
invests in people to
create measurable and
enduring social and
economic change



About ECDI

One-stop resource for small businesses and entrepreneurs

- Training & technical assistance
- Coaching
- Access to capital

Community Development Financial Institution (CDFI)

Ohio's only SBA Intermediary Microlender (one of the largest in the U.S.)





ECDI Locations

- **ECDI Columbus Headquarters**
 - Lending Office, WBC, Food Fort, Social Enterprise Hub
- **Cleveland**
 - Lending Office, WBC
- **Greater Cincinnati**
 - Lending Office, WBC
 - Serves counties in KY and IN
- **Toledo**
 - Lending Office
- **Akron**
 - Lending Office
- **Canton**
 - Lending Office

ECDI's PPP Application Process

Prepare

- Review ecdi.org/ppp
- Open a separate bank account for PPP funds
- Determine your loan amount and timeline
- Refine your business plan accordingly
- Gather necessary documentation

Apply

- Online Application portal
- Our team is available to assist from 9:00 a.m– 5:00 p.m. Monday to Friday.

Approval-Disbursement

- ECDI's processing department will review all applications to ensure they are ready to send to the SBA.
- Each applicant will have a dedicated ECDI Relationship Manager.
- When the application is approved, ECDI will notify you and distribute funds.

Forgiveness

- You have 10 months to file for forgiveness after the end of your covered period before you are required to begin paying back your PPP loan.
- Document all expenses covered by your PPP funding, including payroll

ECDI's PPP Application Process

Make Sure You're Prepared

1. Open a bank account to manage your PPP funds
2. Head to ecdi.org/ppp
3. Review and prepare the necessary documentation



PPP Support Providers

Women's Business Centers of Ohio

- Columbus, Cleveland, Cincinnati
 - Serve Central, Northern and Southern Ohio (plus IN and KY counties in Greater Cincinnati area)
- Open to all business owners
- Assistance delivered virtually
- COVID resource network (CRN)
- Assistance for small businesses outside of PPP application assistance is also available



Additional ECDI Programs

Lending Programs

- SBA Microloan Program
- Community Advantage 7a Lending
- Capital for Construction

Business Incubation

- WBC
- Food Fort
- Social Enterprise Hub



Working Capital Loan Offering

For expenses not covered by PPP funds

- Our advisors can help you refine your business plan to assure you're set up for maximum success.

Terms and requirements

- Borrowers may request up to \$20,000
- Maximum interest rate will be 6%
- Maximum term length will be 66 months
- Borrower must meet ECDI microloan eligibility and credit review requirements

Before You Start

ECDI is only accepting 1st draw applications at this time

If you have already received a 1st Draw PPP loan, your best option is to go to your original lender for 2nd Draw.

Eligibility-based program from the U.S. Small Business Administration (SBA) – all applications are sent to SBA for approval

It is a loan up until it is forgiven

- **Forgiveness is not guaranteed**

Thank You

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www.ECDI.org