

## UPDATED AS OF APRIL 2, 2020

This update contains great news! The GOED is now offering qualifying small businesses the opportunity to apply for the Bridge Loan (discussed in the article) each week. Applications will open on Monday mornings and will close Friday afternoons. The applications are reviewed weekly and will be approved by the GOED's board, with the GOED expecting to cut checks for approved first round applications on April 10 (first round applications close this Friday, April 3).

We encourage businesses to apply as soon as possible because the opportunity to apply will end as soon as the GOED's funding for this program has been used or the program has met the immediate needs of businesses.

The link to the application can be found on the GOED's website at the following

link: <https://business.utah.gov/utah-leads-together-small-business-bridge-loan-program/>.

This updated information comes from both the GOED's website and the following Utah Business

article: <https://www.utahbusiness.com/goed-small-business-loan/>

## Local and Statewide Economic Stimulus Packages (COVID-19)

Small businesses in Utah as well as within the Salt Lake City municipal limits may be eligible for loans to assist with operational business costs. Additionally, applying for and receiving such loans under one of the programs will not disqualify a small business from receiving additional funding under the SBA Emergency Loan Program. Those businesses that do not qualify under one of the state or local small business loan programs detailed in this article, or businesses that may need higher loan amounts and longer repayment periods, should look to the SBA Emergency Loan Program for financial assistance.

### Utah Leads Together Small Business Bridge Loan Program:

The Utah Governor's Office of Economic Development (GOED) has implemented the Utah Leads Together Small Business Bridge Loan Program (Bridge Loan), which will provide funds to small businesses in Utah to assist with working capital expenses such as payroll, rent/mortgages, utilities, and related operating expenses that arise in the ordinary course of business.

Loan amounts will range from \$5,000 to \$20,000 and may not exceed three months of demonstrated operating expenses of a business. The loans will have 0% interest for up to a 60-month period, and payment on the loans are deferred for twelve months.

Those small businesses that can apply for this Bridge Loan include for-profit businesses in Utah that meet the following criteria:

- 1) The business has 50 or fewer employees;
- 2) The business has been impacted by the COVID-19 pandemic;
- 3) The business has been established and licensed before January 1, 2020;
- 4) The business is in good standing with the Utah Division of Corporations and Commercial Code;
- 5) The business has W-2 employees for whom it has withheld payroll taxes; and
- 6) The business has documentation of its estimated losses for a period of six months.

# Jones Waldo Legal Alert

Qualifying small businesses will be able to apply for a Bridge Loan starting Tuesday, March 31, 2020 at 8:00 a.m. and should act quickly in applying because this first funding round ends Friday, April 3, 2020 at 12:00 p.m. Non-profit businesses are encouraged by the GOED to apply for SBA Economic Injury Disaster Loans (information provided below) since they are not eligible for this Bridge Loan. <https://business.utah.gov/utah-leads-together-small-business-bridge-loan-program/>

## Salt Lake City's Emergency Loan Program (ELP):

There are two rounds of applications for the ELP, and the first round has recently ended as of March 23, 2020 at 11:59 p.m. The second round's deadline is this Thursday, April 2, 2020 at 11:59 p.m., so qualifying small businesses should act fast in submitting an application. Small businesses that have 50 employees or less and are located within the Salt Lake City municipal limits are encouraged to apply for this loan to maintain operational continuity in light of the recent economic downturn related to the COVID-19 pandemic. Unlike the Bridge Loan, the ELP is available to non-profit small businesses within the Salt Lake City municipal limits.

The maximum loan amount under this program is \$20,000. The interest rate will be at 0% for a term of five years, and repayment of the loan will begin 90 days following the expiration of the COVID-19 emergency in Salt Lake. The business may only use the loan to pay for working capital (i.e., payroll, rent, inventory, etc.).

Links to the application can be found on the following website: <https://www.slc.gov/ed/elplan/>. Once the application has been filled out, it is then emailed to the Emergency Loan Program at the following email address: [ELP@slcgov.com](mailto:ELP@slcgov.com)

## SBA Economic Injury Disaster Loans (EIDL):

Small businesses in Salt Lake City are now eligible to apply for the SBA Disaster Loan, which can offer a business up to \$2 million dollars in order to assist it with recovery from a temporary loss in revenue. The loan may be used by the business to pay its payroll, fixed debt, accounts payable, and other debts that cannot be paid due to the COVID-19 pandemic. These loans have long-term repayment options, up to 30 years, and are low interest (3.75% for a small business and 2.75% for a non-profit). Each business' loan terms are determined by the SBA on a case-by-case basis and the business' ability to repay the loan.

The application is available online through the following link: <https://disasterloan.sba.gov/ela/>. A number of forms and documentation will need to be submitted along with the application, and a list of those items can be found on the following website: <https://www.slc.gov/ed/sbaemergencyloan/>

**For further information on whether your business may be eligible or likely to meet approval for funding under the Bridge Loan or ELP programs, please contact:**



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