



## Emergency Funding Options for Businesses Greater Cleveland Partnership, Business Development March 19, 2020

**1. Hebrew Free Loan Association (HFLA) of Northeast Ohio's Interest Free Business Loan.** HFLA offers interest free loans to qualified businesses. These loans go up to \$10,000 but do require more documentation than our other types of loans. HFLA needs to see that an interest-free loan will help a business to experience some form of growth (yes, starting-up does count as growth!). Application review time averages 10-15 business days. The loans are made to the business. Therefore, the business must be registered to be eligible. Any owner who owns 20% or more of the business will be required to guarantee the loan and will sign a personal guaranty.

Additional Details: 15-month repayment term on loans up to \$3,000. 24-month repayment term on loans over \$3,000 up to \$5,000. 36-month repayment term on loans over \$5,000 to \$10,000. Site also has COVID-19 Emergency Loan for individuals going through related financial struggles; businesses may refer employees that have been laid-off or had hours cut to this.

<https://interestfree.org/apply/business-loans/> - Loan application.

Contact: Ms. Michal Marcus, Executive Director. [michal@interestfree.org](mailto:michal@interestfree.org); 216-378-9007.

**2. Honeycomb Crowdfunded Small Business Relief Loan.** Honeycomb is offering 45-day payment free periods, 6-month interest-only periods and reducing our posting, success, and investor fees. Loans generally range between \$10,000 and \$50,000, but it is possible to apply for larger loans. Businesses must generally have been operating for greater than 1 or 3 years depending on the amount they are applying for. Interest ranges between 7.5% and 10%.

Additional Details: To qualify, the company must have broken even or been profitable in 2019. Loan term is 3 years with the first 6 months only requiring interest payments.

<https://www.honeycombcredit.com/relief> - Loan details and application through this.

Contact: Dora Rankin, CLE City Manager. [hello@honeycombcredit.com](mailto:hello@honeycombcredit.com). Or fill out form through link above.

**3. SBA 7(a) Loans.** This is a loan guarantee program; funds can be used for any business purpose. The borrower begins the process at any bank, and negotiates rate and term. The SBA guarantees a portion (typically 75 percent) of the loan, so this is most useful in borderline cases, or to negotiate a better rate.

Additional Details: applicant must be a for-profit business; the maximum business size for SBA loans is determined by annual sales or number of employees, depending on NAICS/SIC code.

<https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>

Contact: local banks; or SBA Answer Desk: 800-827-5722.

**4. Growth Capital SBA Community Advantage Loan Program.** Part of the Goldman Sachs 10,000 Small Businesses program. Maximum loan size is \$250,000, with interest up to Prime + 6 percent. Eligible uses include fixed assets (real estate must be 51% owner-occupied), leasehold improvements, receivables financing, working capital and debt refinancing. Eligible borrowers are manufacturing, distribution, wholesale, commerce or service for-profit businesses.

Additional Details: applicant must be a for-profit business, have been in operation for at least two years, and have revenues between \$150,000 and \$4 million; following the SBA standards, owners of 20 percent or greater of the company must complete personal financial statements and guarantee the loan. A first lien position will be sought, but collateral may not be necessary if funding working capital. Job creation is not required. Possibility exists to cover some closing fees with grant funds.

<http://www.growthcapitalcorp.com/growth-capital-sba-community-advantage-loan-program/>

Contact: Growth Capital Corp., 216-592-2332.

**5. SBA Disaster Assistance in Response to the Coronavirus.** The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). This is an iteration of SBA's Economic Injury Disaster Loan that offers up to \$2 million in assistance to small businesses. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.

Additional Details: The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%. SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

Contact: SBA disaster assistance customer service center. 1-800-659-2955 (TTY: 1-800-877-8339); [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

**Reach out to your primary lender or other traditional banks to ask about COVID-19 resources. There may be loans, payment deferrals, and other resources available through these institutions.**