U.S. Small Business Administration: SBA Express Bridge Loan Pilot Program

This bulletin is intended to assist in identifying potential sources of relief from the consequences of COVID-19 (novel coronavirus) for individuals, families, and employers. It's important to seek advice and information from trusted resources.

The SBA Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an Small Business Administration (SBA) Express Lender to access a $25,000 loan quickly. These loans are intended to provide economic support to help businesses overcome the temporary loss of revenue due to COVID-19 and/or to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan.

THE SBA EXPRESS BRIDGE LOAN PILOT PROGRAM

The official U.S. Small Business Administration website, sba.gov, has the latest information about SBA Express Bridge Loans (EBL). A Express Bridge Loan Pilot Program Guide can be found at sba.gov/sites/default/files/2020-03/Express-Bridge-Loan-Pilot Program-Guide-FINAL-3.25.20.pdf. The following was taken directly from the 13-page guide:

> The EBL Pilot Program became available on October 17, 2017 and will expire on March 13, 2021.

> The Program authorizes SBA Express Lenders to provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to $25,000 for disaster-related purposes to small businesses.

> Effective March 25, 2020, the SBA expanded program eligibility to include small businesses nationwide adversely impacted under the COVID-19 Emergency Declaration issued by President Trump on March 13, 2020.

> For the COVID-19 Emergency Declaration, the date of the disaster is March 13, 2020 and the small business must have been operational on that date.

> For the COVID-19 Emergency Declaration, loan proceeds must be used exclusively to support the survival and/or reopening of the small business.
CAUTION: SelectHealth encourages all seeking relief from the impact of COVID-19 to obtain guidance from trusted advisers such as certified public accountants and attorneys. All individuals and employers should beware of scams. With financial assistance potentially available through federal, state, and local governments in the way of grants and loans, there will be scammers trying to take advantage of the situation, such as those masquerading as qualified lenders.

> The loan must be structured as a term loan (revolving lines of credit are not permitted) and the maximum loan term is 7 years.

> The program follows the SBA Express interest rate policy and may be a fixed or variable interest rate.

> A lender may impose an Application Fee of 2% of loan amount or $250, whichever is greater.

*Note:* Please refer to the EBL Pilot Program Guide referenced above for details.