



FAQs: COVID-19 Disaster Assistance Loans

If your small business has sustained economic injury as a result of COVID-19 and is located in Florida, you are eligible for financial assistance through the Florida Small Business Emergency Bridge Loan Program. Apply here: www.floridadisasterloan.org

What are the terms of the Emergency Bridge Loan Program?

Eligible business applicants can apply for an interest-free, 1-year loan for up to \$50,000.

For purposes of the Emergency Bridge Loan Program, an amount greater than the program maximum (\$50,000), up to \$100,000 may be applied and awarded if there is a bonafide business reason that more is necessary to the recovery and restored operations of the business.

Can I receive more than 1 Emergency Bridge Loan if I have multiple businesses or multiple business locations?

For purposes of the Emergency Bridge Loan Program, a "business" is defined as an entity that files a federal business tax return. If you have multiple businesses, and each business files its own federal business tax return, you can receive 1 Florida Emergency Bridge Loan for each business. If you have a business with multiple business locations, you can not receive more than 1 Emergency Bridge Loan for each location.

What are the eligibility requirements for the Emergency Bridge Loan Program?

To be an eligible business applicant, all of the following must be true:

1. The business must have been established and actively operating a business physically located in Florida prior to the date of the designated disaster.

For purposes of this eligibility requirement, actively operating an established means carrying out the performance of activities for the production of income from selling goods or performing services.

2. Business must be a for-profit, privately held small business that has or had a minimum of 2, but no more than 100, employees within the previous year of the date of the declared disaster (March 9, 2020).

For purposes of this eligibility requirement, a minimum of 2 employees means the aggregate number of W-2 employees, "1099 employees" (i.e. independent contractors), and leased employees.

3. The business must have repaid, in full, any previous Florida Small Business Emergency Bridge Loan.
4. The business applicant must demonstrate that the business has suffered significant economic injury and unable to pay current ordinary and necessary operating expenses as a result of COVID-19.



All small businesses located throughout Florida are eligible for \$50,000-\$100,000 in short-term, interest-free disaster bridge loans.



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Are sole proprietorships or self-employed individuals eligible?

For purposes of the Emergency Bridge Loan Program, the type of business entity does not impact the businesses eligibility. To be an eligible business applicant, the business must meet the minimum eligibility requirements, including but not limited to having an aggregate minimum of 2 employees that are W-2 employees, "1099 employees" (i.e. independent contractors), or leased employees within the previous year of the date of the declared disaster (March 9, 2020).

Are non-profits eligible?

For purposes of the Emergency Bridge Loan Program, eligible applicant business must be a for-profit, privately held small business in Florida. Non-profits are not eligible applicants for this program. However, unlike the state program, the U.S. Small Business Administration (SBA) Economic Injury Disaster Loan Program is available to most non-profit businesses.

Can I apply if my business doesn't have qualified employees (i.e. W-2, 1099, or leased employees)? If not, what are my options?

Regrettably, the Florida Small Business Emergency Bridge Loan Program is not available to non-employer small businesses. Please note, however, the minimum of 2 employees means the aggregate number of W-2 employees, "1099 employees" (i.e. independent contractors), and leased employees.

If your business does not have qualified employees, your business may be eligible for a federal disaster loan under the U.S. Small Business Administration (SBA) Economic Injury Disaster Loan Program. Unlike the state program, this disaster loan program is available to businesses of all sizes.

Do you need to have 2 full-time employees to meet the employer eligibility requirement?

For purposes of the Emergency Bridge Loan Program, "employees" are defined as individuals who receive paid wages or salary, which employment taxes (e.g. FICA, FUTA) and income taxes (not self-employment tax or corporate income tax) are withdrawn and remitted to the IRS, evidenced by business tax returns filed, i.e. IRS Form 941 - Employer's Quarterly Federal Tax Return; IRS Form W-3, Transmittal of Wage and Tax Statements; IRS Form W-2 - Wage and Tax Statement, or IRS Form 1099-MISC reporting wages paid to an independent contractor. If the aggregate of the individual employees reported on these forms is 2 or greater, but less than 100, you have met the employer eligibility requirement.



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[RETURN TO PREVIOUS PAGE](#)



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Does a bad credit score or bankruptcy automatically disqualify my business from being eligible?

For the purposes of the Emergency Bridge Loan Program, there is no minimum credit score that automatically disqualifies a business as a recipient of an Emergency Bridge Loan. A bankruptcy also doesn't automatically disqualify your business as being a recipient. However, less than fair credit score or credit history can make it more difficult to be approved.

Each loan application package is reviewed by an independent Emergency Bridge Loan Review Committee. The Committee reviews and determines if an applicant business has the ability and "credit worthiness" to repay the new debt service.

Committee members are instructed to analyze and apply credit standards as determined by industry standards for small and microbusiness loans, including but not limited to assessing the personal credit score and credit history of the business owner(s). Conversely, a low credit score, or bankruptcy, in itself should not preempt loan approval as long as the credit history meets minimum standards.

With that said, without extending circumstances, a credit score below 620 will make it difficult to get a loan. Conversely, a high credit score doesn't guarantee a loan either.

We suggest that if an applicant(s) have a low credit score due to extraordinary circumstances (e.g. medical bills due to a significant illness) to provide proof and written letter of justification for the Loan Review Committee.

Remember, the primary factor is the ability of the applicant business to repay the Emergency Bridge Loan in the agreed term of the loan program.

Other factors considered include:

1. probability of the business receiving federal disaster assistance; and/or
2. probability of the business receiving proceeds from insurance recovery (if any); and/or
3. probability of the business qualifying for other long-term credit (e.g. bank financing); and/or
4. probability of the business to recover and generate sufficient cash flow from business operations to repay the debt service within the agreed upon loan term.

Can I apply if I don't have my 2019 taxes completed or filed for an extension?

The application requires the submission of the previous 2 years federal business tax returns. If you have not filed your 2019 taxes, or you have requested an extension, you simply need to explain that in your application and include your the most recent year(s) tax returns available.



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[RETURN TO PREVIOUS PAGE](#)