

U.S. Coronavirus Aid, Relief, and Economic Security (CARES) Act Information

U.S. CARES Act was passed to provide relief through checks sent directly to individual tax-payers, small businesses, large corporations and hospitals, among others. Part of the CARES Act includes the Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL).

The Paycheck Protection Program (PPP), administered by the U.S. Small Business Administration, is a loan designed to provide a direct incentive for small businesses to keep workers on the payroll. SBA will forgive loans if all employees are kept on the payroll for eight weeks (beginning the date of loan disbursement). Eligible uses for the funds include payroll, rent, mortgage interest, interest on existing debts, or utilities. Funds are allocated on a first-come, first-served basis. Application deadline is June 30, 2020.

The Economic Injury Disaster Loan (EIDL), also administered by the SBA, provides small businesses with working capital loans up to \$2 million to help overcome the temporary loss of revenue they are experiencing. A component of the EIDL program is a \$10,000 loan advance (grant) that will provide immediate help to businesses that are currently experiencing a temporary loss of revenue as a result of COVID-19. Funds are allocated on a first-come, first-serve basis. Application deadline is June 30, 2020.

Pertaining to agriculture, the US CARES Act included \$9.5 billion for small farm (less than \$500,000 annual income) financial support. This money is currently being used by the USDA in preparation for an increase in loan requests for emergency disaster loans, farm storage facility loans and microloans. The CARES Act funds are allowing the USDA to relax deadlines and repayment of existing loans and expedite the process for new loan applications.

See more details on loan programs available through the U.S. CARES Act below in addition to a list of frequently asked questions and a database of non-disaster loan programs.

**For more information, please contact:
Stephen Versen (804-786-6911, Stephen.Versen@vdacs.virginia.gov)
<http://www.vdacs.virginia.gov/agribusiness>**

COVID-19 Financial Assistance for Small Businesses in Virginia

Title & Source	Description	Contact
U.S. SBA Cares Act Paycheck Protection Program	<ul style="list-style-type: none"> • Provides loans of up to \$10 million to businesses with 500 or fewer employees (restaurants and hospitality industry companies with multiple locations are exempt from employment cap) including nonprofits, independent contractors, sole proprietors and religious establishments. • Loans are based on eight weeks of prior payroll plus an additional 25 percent, up to \$100,000 per employee • Loans may be used for salaries, paid sick or medical leave, insurance premiums, mortgage, rent or utility payments • No collateral or personal guarantees required; don't need to have sought capital elsewhere • Loan forgiveness applies to funds equating up to 8 weeks payroll (excluding salaries over \$100,000) with the 8-week term beginning on the loan origination date • Loan amount not forgiven has a maximum interest rate of 4% over a maximum 10-year term; principal and interest can be deferred 6-12 months after disbursement of loan 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
U.S. SBA Cares Act Economic Injury Disaster Loans (EIDL)	<ul style="list-style-type: none"> • Working capital loans of up to \$2 million for businesses with 500 or fewer employees including nonprofits, independent contractors, sole proprietors and religious establishments. • Do not need to have sought capital elsewhere for advances and loans under \$200,000 • No collateral required for loans less than \$25,000 • Up to 12-month deferral • Interest rates are 3.75% for small businesses and 2.75% for nonprofits with 30-year repayment terms. 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
US. SBA CARES Act EIDL Advance Grant	<ul style="list-style-type: none"> • Cash grant up to \$10,000 • Apply for this grant by checking the “cash advance” box at the end of the EIDL (loan) application (above) • Does not need to be repaid under any circumstances • Grant should be issued 3 days following EIDL application submission 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
U.S. SBA Debt Relief Program	<ul style="list-style-type: none"> • Immediate relief to small businesses with active, non-disaster SBA loans • SBA will cover payments for 6 months • Also available to new borrowers who take out SBA loans within 6 months of February 15, 2020 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
U.S. SBA Express Bridge Loan Pilot Program	<ul style="list-style-type: none"> • Available to businesses with an existing relationship with an SBA lender • Up to \$25,000 loan designed to have a fast turnaround • Expected to be paid back partially or in-full using funds acquired through EIDL program 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance

Frequently Asked Questions:

1. Are farms eligible for SBA EIDL and EIDL Advance?

Agricultural enterprises eligible for EIDL and the EIDL advance are currently limited to aquaculture enterprises, agriculture cooperatives and nurseries. All agricultural enterprises (e.g. farms) are eligible to apply for PPP. However, there are \$1,000 grants available to farmers through the American Farmland Trust's Farmer Relief Fund. Learn more and apply for a \$1,000 grant [here](#).

2. Can a business apply for both EIDL and PPP?

Yes, a business can apply for both the EIDL and the PPP, provided that the funds are used for different purposes. However, any funds received through the EIDL Advance (up to \$10,000) would be deducted from the company's approved PPP loan amount.

3. Where can I find a list of SBA-approved lenders?

A list of SBA-approved lenders is available [here](#).

4. Where can I find the EIDL and PPP applications?

The online application for the EIDL is [here](#). Find a lender for the PPP program and more information on how to apply [here](#).

5. What is the difference between the PPP and EIDL programs?

Paycheck Protection Program (PPP)		Emergency Injury Disaster Loan (EIDL)
Payroll; mortgage interest; rent and utilities; mortgage interest; interest on debt incurred before 2/15/20	Uses	Payroll, fixed debts, accounts payable; other expenses that can't be paid because of the disaster's impact
2.5x business' average monthly payroll	Amount	Up to \$2 million
Fixed 1% annual rate	Rate	3.75% annual rate
No payments for first 6 months and a total 2-year term	Terms	Up to 30 years
Up to 100% with approval	Forgiveness	Emergency grants up to \$10,000

6. Are 501(c)6 nonprofits eligible for loans available through the CARES Act?

Not at this time.

7. Are wineries and cideries eligible for EIDL?

Yes, due to the manufacturing component, wineries and cideries are eligible. Vineyard- and orchard-only operations are not eligible for EIDL.

Non-Disaster Financial Resources for Ag & Forestry Businesses in Virginia

Title & Source	Description	Contact
Resources for Individual, For-Profit Businesses		
<u>Governor's Agriculture and Forestry Industries Development Fund (AFID)</u>	<ul style="list-style-type: none"> Grants made to one or more political subdivisions to benefit a new or expanding facility that adds value to Virginia grown agriculture or forestry products Grant amount based on ROI and other factors, not to exceed \$250,000 or 25% of qualified capital investment (the lesser) Requires dollar-for-dollar local match from applicant's locality (cash or qualified in-kind) A minimum of 30% of the facility's new agriculture or forestal products must be Virginia-grown 	Stephen Versen, VDACS 804-786-6911 Stephen.Versen@vdacs.virginia.gov
<u>Business & Industry Guaranteed Loan Program (B&I), USDA Rural Development</u>	<ul style="list-style-type: none"> Program guarantees loans by commercial lenders to rural businesses. Maximum \$25 million aggregate loan amount to any one borrower. Must be located in an eligible rural area which is defined as being outside of cities or towns with a population of 50,000 or more and the surrounding built-up areas. Requires equity investment on the part of owners. 20% tangible balance sheet equity for new businesses and 10% for existing businesses. 	Barbara J. "BJ" Fulcher 804-287-1604 bj.fulcher@va.usda.gov
<u>Rural Energy for America Program (REAP), USDA Rural Development</u>	<ul style="list-style-type: none"> Assists agriculture producers and rural small businesses in decreasing energy costs Grants, loan guarantees, and combination loan guarantee/grant to finance purchase and installation of renewable energy systems and energy efficiency improvements. Small businesses must be located in eligible rural areas, defined as being outside of cities or towns with a population of 50,000 or more and the surrounding built-up areas. Agricultural producers are not required to be in rural areas 	Sydney Long 804-287-1606 sydney.long@va.usda.gov
<u>Value-Added Producer Grants (VAPG), USDA Rural Development</u>	<ul style="list-style-type: none"> Competitive matching grant funds to help independent agricultural producers enter into value-added activities related to processing and/or marketing of new products; set aside for beginning and socially disadvantaged farmers; Applicants are not required to be located in rural areas Maximum Grants: \$75,000 Planning and \$200,000 Working Capital 	Laurette Tucker 434-392-4906 ext. 125 laurette.tucker@va.usda.gov
<u>Biorefinery Assistance Program, USDA Rural Development</u>	<ul style="list-style-type: none"> Provides loan guarantees for the development, construction and retrofitting of new and emerging technologies for advanced biofuels, renewable chemicals and biobased products by providing loan guarantees up to \$250 million 	Sydney Long 804-287-1606 sydney.long@va.usda.gov
<u>Farm Ownership Loans (FO), USDA FSA</u>	<ul style="list-style-type: none"> Loans for the purchase of farmland, to improve and expand current operations, increase agricultural productivity, and promote soil / water conservation. Maximum loan amount is \$600,000 	Pete Adamson, Farm Loan Chief, 804-287-1580 pete.adamson@va.usda.gov

<u>Farm Operating Loans (OL), USDA FSA</u>	<ul style="list-style-type: none"> Loans may be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. Operating Loans can also be used to pay for minor improvements to buildings, costs associated with land / water development, family subsistence, and to refinance debts Maximum loan amount is \$400,000 	Pete Adamson, Farm Loan Chief 804-287-1580 pete.adamson@va.usda.gov
<u>Down payment Farm Ownership Loans for Beginning Farmers, USDA FSA</u>	<ul style="list-style-type: none"> Loan program to help beginning farmers and ranchers purchase a farm or ranch. This program also provides a way for retiring farmers to transfer their land to a future generation of farmers and ranchers. Applicants must provide 5% of purchase price of the farm. 	Pete Adamson, Farm Loan Chief 804-287-1580 pete.adamson@va.usda.gov
<u>Loans to Socially Disadvantaged Farmers/Ranchers, USDA FSA</u>	<ul style="list-style-type: none"> Direct loan funds to help socially disadvantaged applicants buy and operate family-size farms and ranches. A socially disadvantaged (SDA) applicant is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities, including women, African Americans, American Indians, Alaskan Natives, Hispanics, Asians, and Pacific Islanders. 	Pete Adamson, Farm Loan Chief 804-287-1580 pete.adamson@va.usda.gov
<u>Youth Loans, USDA FSA</u>	<ul style="list-style-type: none"> Loans to individual rural youths to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, FFA, and similar organizations 	Pete Adamson, Farm Loan Chief 804-287-1580 pete.adamson@va.usda.gov
<u>Beginning Farmer/Rancher Loans, USDA FSA</u>	<ul style="list-style-type: none"> Direct loan funds to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. 	Pete Adamson, Farm Loan Chief 804-287-1580 pete.adamson@va.usda.gov
<u>Emergency Loans, USDA FSA</u>	<ul style="list-style-type: none"> Loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine 	Pete Adamson, Farm Loan Chief 804-287-1580 pete.adamson@va.usda.gov
<u>Farm Storage Facility Loan Program, USDA FSA</u>	<ul style="list-style-type: none"> Loans to producers to build or upgrade farm storage and handling facilities for soybeans, peanuts, hay, renewable biomass, pulses and oilseeds. Corn, grain sorghum, oats, wheat, barley, fruits and vegetables are also eligible, subject to program requirements. 	Brent Whitlock, Farm Program Chief 804-287-1542 Brent.Whitlock@va.usda.gov
<u>Nonrecourse Marketing Assistance Loans, USDA FSA</u>	<ul style="list-style-type: none"> Provide interim financing to meet cash flow needs without having to sell commodities when market prices are typically at harvest-time lows. Allows the producer to market crops when they choose. Producer has the option of delivering the pledged collateral instead of payment of the loan. 	Brent Whitlock, Farm Program Chief 804-287-1542 Brent.Whitlock@va.usda.gov

<u>Small Business Innovation Research (SBIR), USDA CSREES</u>	<ul style="list-style-type: none"> Competitively awarded grants to qualified small businesses to support advanced concepts research related to important scientific problems and opportunities in agriculture that could lead to significant public benefit. 	Scott Dockum, USDA SBIR Program Coordinator sdockum@nifa.usda.gov 202-720-6348
<u>Community Food Projects Competitive Grant Program (CFPCGP) USDA - NIFA</u>	<ul style="list-style-type: none"> These grants are intended to help eligible private nonprofit entities that need a one-time infusion of federal assistance to establish and carry out multipurpose community food projects specifically to help meet the food needs of low-income individuals. Planning Projects & CFP are funded from \$25,000-\$300,000 and from 1 to 3 years. One-time grants that require a dollar-for-dollar match in resources. 	Jane Clary Loveless, National Program Leader jclary@nifa.usa.gov 202-720-3891
<u>Microloan 7(m) Loan Program, SBA</u>	<ul style="list-style-type: none"> Short-term loans to small businesses for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment. Proceeds cannot be used to pay existing debts or to purchase real estate. Maximum loan is \$50,000 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
<u>7(a) Loan Program, SBA</u>	<ul style="list-style-type: none"> Provides new and growing businesses with loans of up to \$5 million with an SBA guaranty of 75% to 85%. Loans may be used to purchase equipment, inventory, fixtures, leasehold improvements, working capital, debt refinancing for compelling reasons, change of ownership. 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
<u>SBA Express Loan Program, SBA</u>	<ul style="list-style-type: none"> Provides term loans and revolving lines of credit up to \$350,000 with a 50% guaranty Lenders use their own application forms and procedures and follow their own collateral policy Quick SBA turnaround of 36 hours or less Approved lenders have delegated credit authority. SBA confirms eligibility. 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
<u>Small 7(a) Loan Program, SBA</u>	<ul style="list-style-type: none"> Provides new and growing businesses with loans of up to \$350,000 with an SBA guaranty of 75% to 85%. Loans may be used to purchase equipment, inventory, fixtures, leasehold improvements, working capital, debt refinancing for compelling reasons, change of ownership Simplified Program open to lenders with an average of less than 20 SBA loans a year for the past three years 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
<u>Certified Development Company (504) Loan Program, SBA</u>	<ul style="list-style-type: none"> Provides growing businesses with long-term, fixed-rate financing up to \$5 million for major fixed assets, such as land and buildings. Typically, a 504 project includes a loan secured with a senior lien from a private-sector lender covering up to 50 percent of the project cost, a loan secured with a junior lien from the Certified Development Company (CDC) (backed by a 100 percent SBA-guaranteed debenture) covering up to 40 percent of the cost, and a contribution of at least 10 percent equity from the small business being helped. 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance

<u>Small Business Investment Companies Program (SBIC), SBA</u>	<ul style="list-style-type: none"> • Small businesses which qualify for assistance from the SBIC program are able to receive equity capital, long-term loans, and expert management assistance. 	Find your local SBA district contact: https://www.sba.gov/tools/local-assistance
<u>Virginia Small Business Financing Authority Cash Collateral Program</u>	<ul style="list-style-type: none"> • Program supports bank loans to eligible small businesses to hold as additional collateral • Maximum cash collateral is \$500,000 or 40% of the bank loan or line, whichever is less • Bank uses its own documentation and sets the interest rate. 	Mark Heede, Executive Director Mark.Heede@sbsd.virginia.gov 804-371-8256
<u>Virginia Small Business Financing Authority Loan Guarantee Program</u>	<ul style="list-style-type: none"> • Program guarantees up to 75% of a bank loan or line of credit to an eligible small business or 501 (c) (3) non-profit. • Maximum guaranty is \$750,000. • Bank uses its own documentation and sets the interest rate. 	Mark Heede, Executive Director Mark.Heede@sbsd.virginia.gov 804-371-8256
<u>Virginia Small Business Financing Authority Economic Development Loan Fund</u>	<ul style="list-style-type: none"> • Program is designed to fill the financing gap between private debt financing and private equity. • Funds are available to local economic development authorities, 501 (c) (3) non-profits, qualifying new and expanding businesses, including agri-businesses, that are creating new jobs or saving “at risk” jobs in Virginia. • Loans available for fixed asset (land, building, equipment, etc.) financing needs. • VSBFA’s portion of the loan will be up to 40% of the total project amount or \$1,000,000, whichever is less. 	Mark Heede, Executive Director Mark.Heede@sbsd.virginia.gov 804-371-8256
<u>Virginia Small Business Financing Authority Small Business Microloan Program</u>	<ul style="list-style-type: none"> • Provides up to \$25,000 to existing small businesses for equipment and working capital • Does not require a bank’s participation in the transaction • Requires a minimum credit score of 650 and two years in business • Loans made for up to 48 months at a low fixed rate 	Mark Heede, Executive Director Mark.Heede@sbsd.virginia.gov 804-371-8256
<u>Natural Capital Investment Fund</u>	<ul style="list-style-type: none"> • Provides debt or subordinated debt ranging from \$35,000 to \$500,000 for early to expansion-stage companies with market traction & growth opportunities. NCIF often partners with traditional lenders to provide gap financing for transactions. • Stage: Sectors targeted: sustainable forestry and forest products; value-added & sustainable agriculture; renewable energy and fuels; eco- and heritage tourism; energy efficiency; natural medicines; green building; environmental services; recycling & water conservation. • Focused on Southwest and Southside Virginia. 	Marten Jenkins, CEO 304-870-2207 mjenkins@conservationfund.org www.ncifund.org

<u>Farm Credit</u>	<ul style="list-style-type: none"> • Nationwide network of borrower-owned lending institutions specializing in ag-lending, often collaborating with USDA Farm Service Agency • Offers a Young, Beginning, and Small Producers Program that provides education and mentoring 	To find the office serving your area, go to: www.farmcredit.com/locations
<u>Virginia Tobacco Region Revitalization Commission Agribusiness Grant Program</u>	<ul style="list-style-type: none"> • Provides grants and loans for Agribusiness development projects in tobacco region of Southwest and Southern VA that can demonstrate increased farm income for producers through improved facilities, new crops, value-added processes, cooperative marketing etc. • Applications must be submitted by government entities or IRS-designated non-profits • Beneficiaries may include private farms and businesses, subject to certain conditions. 	Tim Pfohl 804-786-2403 TPfohl@revitalizeva.org
<u>Tobacco Region Opportunity Fund</u>	<ul style="list-style-type: none"> • TROF incentive grants and loans assist in the creation of new jobs and private capital investment, whether through business attraction or expansion. • Applications may be submitted at any time, but must be submitted by local governments on behalf of private companies • The locality and private company must both sign a performance-based agreement to meet job and investment targets within a 36-month period 	Stacey Richardson 804-225-2027 ext .2 srichardson@revitalizeva.org
<u>Virginia Organic Cost Share Program</u>	<ul style="list-style-type: none"> • Organic growers or food processors in Virginia can apply for partial reimbursement to offset the cost of becoming certified or recertified as an organic producer by 75% or up to a total of \$750. 	Bill Scruggs, VDACS 804-786-3951 bill.scruggs@vdacs.virginia.gov Roz Stein, VDACS 804-786-3938 roz.stein@vdacs.virginia.gov
Resources For Producer Organizations, Non-Profits and Government		
<u>USDA Specialty Crop Block Grant Program, administered by VDACS</u>	<ul style="list-style-type: none"> • Agricultural associations, industry / producer groups, community based organizations, and academia can apply for grants of up to \$30,000 for projects that seek to improve the competitiveness of specialty crops in Virginia. 	Melissa Ball, VDACS 804-786-5448 Melissa.Ball@vdacs.virginia.gov
<u>Rural Cooperative Development Grants (RCDG), USDA Rural Development</u>	<ul style="list-style-type: none"> • Grants are made to non-profit organizations for establishing and operating centers for cooperative development for the primary purpose of improving the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives. 	Laurette Tucker 434-392-4906, ext. 125 804-287-1606 laurette.tucker@va.usda.gov

<u>Socially-Disadvantaged Groups Grant</u>	<ul style="list-style-type: none"> • Provides technical assistance to socially-disadvantaged groups through cooperatives and Cooperative Development Centers • Examples of eligible technical assistance include: feasibility studies, business plans, strategic planning and leadership planning. • The Cooperative or center can be located in any area, but the groups assisted by that organization must be located in an eligible rural area. 	<p>Laurette Tucker 434-392-4906, ext. 125 804-287-1606 laurette.tucker@va.usda.gov</p>
<u>Rural Business Development Grant (RBDG), USDA Rural Development</u>	<ul style="list-style-type: none"> • Grants to public bodies, private nonprofit corporations, and federally-recognized Indian Tribal groups to finance and facilitate development of small and emerging private business enterprises in rural areas. Ten percent of funds are set aside for area wide economic development planning. • Grants limited to \$500,000, grants under \$100,000 receive the highest priority. • Funds to finance or develop small and emerging businesses with 50 or fewer employees and \$1,000,000 in annual revenue; funds do not go directly to the business. • Grants to establish revolving loan funds, purchase equipment or construct facilities. • Must be located in an eligible rural area which is defined as being outside of cities with a population of 50,000 or more and the surrounding built-up areas. 	<p>Barbara J. "BJ" Fulcher 804-287-1604 bj.fulcher@va.usda.gov</p>
<u>Intermediary Relending Program (IRP), USDA Rural Development</u>	<ul style="list-style-type: none"> • Loans made to intermediaries. Intermediaries re-lend funds to ultimate recipients for business facilities or community development. • Loans from intermediaries to ultimate recipients must be for the establishment of new businesses, the expansion of existing businesses, creation of employment opportunities, saving of existing jobs, or community development projects. • Eligible projects must be located outside of cities with a population of 50,000 or more. 	<p>Barbara J. "BJ" Fulcher 804-287-1604 bj.fulcher@va.usda.gov</p>
<u>Rural Economic Development Loan & Grant Program (REDG), USDA Rural Development</u>	<ul style="list-style-type: none"> • Funding for rural projects through electric & telephone utilities to promote sustainable rural economic development & job creation projects • Requires 20% match by intermediary and 20% contribution by borrower. • Project must be located in an eligible rural area which is defined as being outside of cities with a population of 50,000 or more and the surrounding built-up areas. 	<p>Barbara J. "BJ" Fulcher 804-287-1604 bj.fulcher@va.usda.gov</p>

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