



# **Small Business Administration: Here for Rural Communities**

*Prepared and presented by the SBA Office  
of Rural Affairs*

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# What is the SBA?

- Since 1953, the Small Business Administration has worked to help businesses start, grow, and expand
- Cabinet-level federal agency with 68 district offices across the nation
- Fully dedicated to providing counseling, capital, and contracting expertise to small businesses

# How does the SBA help rural businesses?

- Access capital through lending programs and small business investment companies
- Emergency assistance through disaster programs (physical and economic)
- Export finance programs and guidance
- Entrepreneurial development (counseling, training, business planning, etc.)
- Contract assistance and designations for federal government contracting
- Research and development grant opportunities

# How can I get local SBA help?



Each state has a district office geared toward meeting local entrepreneur and small business needs



SBA also partners with:

Women's Business Centers  
Procurement Technical Assistance Centers  
Veterans Business Outreach Centers



Find your SBA district office at:

[www.sba.gov/local-assistance](https://www.sba.gov/local-assistance)

# Welcome to the SBA Office of Rural Affairs

- The Office of Rural Affairs is dedicated to providing resources to and serving rural America by:
  - Making sure rural businesses can access SBA financial assistance programs and know the SBA is here to help
  - Equipping non-governmental organizations with information about SBA and other agency programs
  - Providing information about programs available at the local, state, and federal levels, including private and educational programs, to improve economic opportunities for rural citizens

# Economic Aid Act Funding

\$284.45 billion in funding for PPP loans

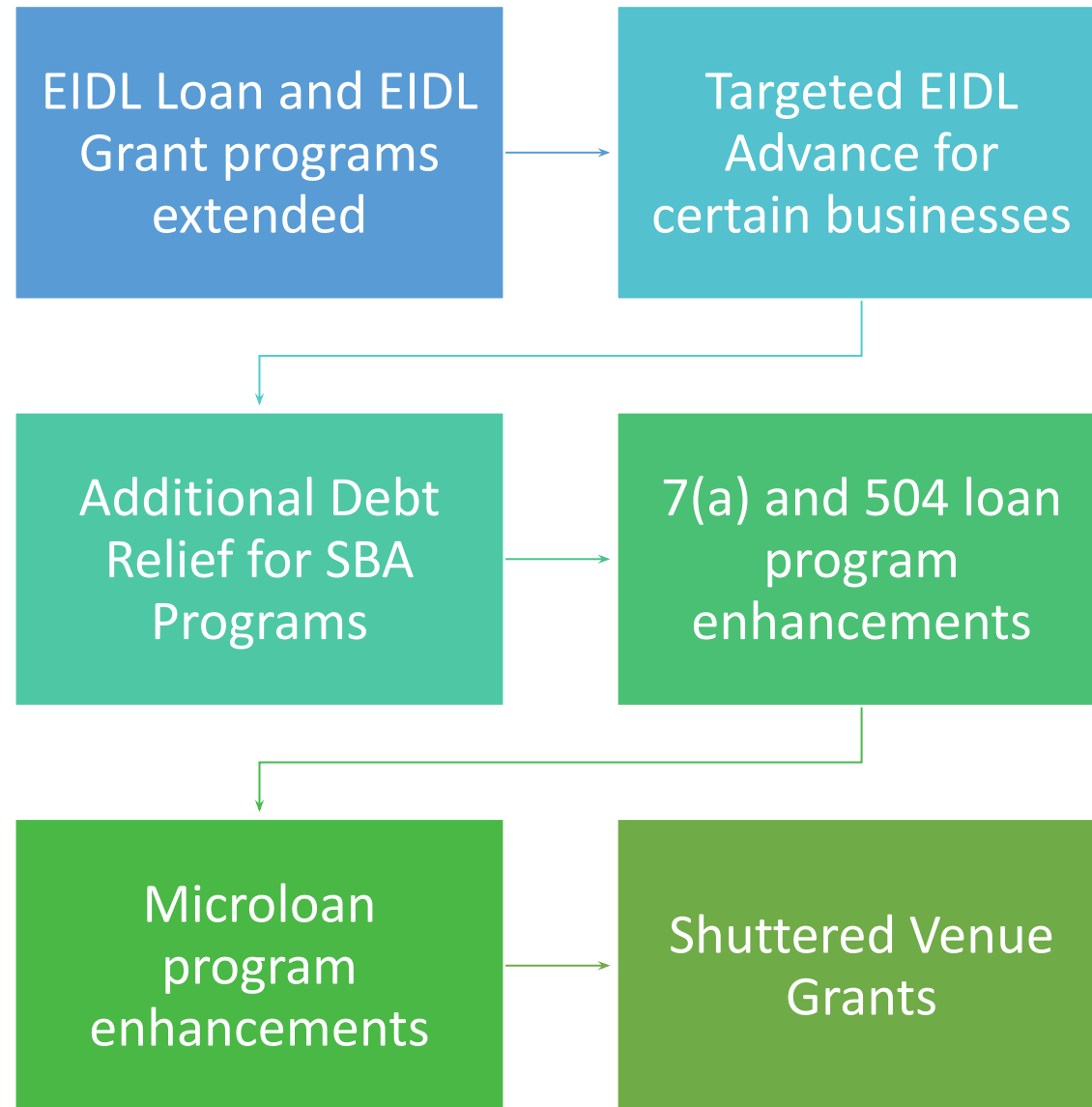
Extends the PPP program to March 31, 2021

Additional “first draw” PPP funding with revised parameters

Ability to modify and increase initial PPP loan in limited situations

New “second draw” loan for hardest hit businesses

## Summary of Economic Aid Act Funding (cont'd)

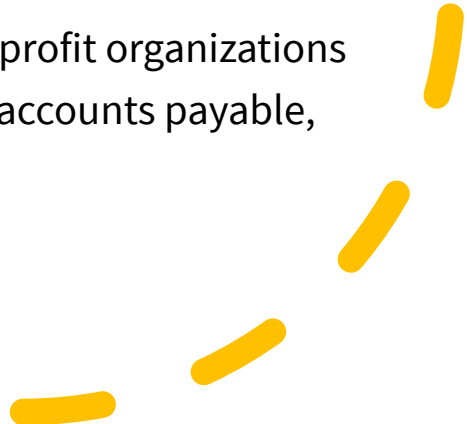


# SBA Financial Assistance Programs

## **Paycheck Protection Program (First and Second Draw Loans)**

- ❑ Available through March 31, 2021
- ❑ For-profit businesses, tribal businesses, certain nonprofits, cooperatives, news organizations, sole proprietors, independent contractors
- ❑ Loans up \$10 million (1<sup>st</sup> draw) to \$2 million (2<sup>nd</sup> draw)
- ❑ Forgivable loans
- ❑ Use of proceeds for employee salaries, debt obligations, supplier costs, worker protection, property damage

## **Economic Injury Disaster Loan (Advances and Grants)**

- ❑ Available through December 31, 2021
  - ❑ For-profit business, agricultural enterprises, nonprofit organizations
  - ❑ Loan size determined by SBA
  - ❑ Terms of up to 30 years
  - ❑ 3.75% interest rate for small businesses, 2.75% for non-profit organizations
  - ❑ Use of proceeds for working capital, payroll, inventory, accounts payable, fixed debts
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# **SBA Financial Assistance Programs – Part II**

## **7(a) Loan Guaranty Program**

- ❑ For-profit in U.S. that meets SBA size standards
- ❑ Loans up to \$5 million
- ❑ Terms up to 10 years for working capital, equipment, and up to 25 for real estate
- ❑ Variable interest rate (maximum rate set by SBA)
- ❑ Use of proceeds for working capital, inventory, land/fixed assets, etc.

## **504/CDC Loan Guaranty Program**

- ❑ For-profit in U.S. that meets SBA size standards
- ❑ Loans up to \$5 million
- ❑ 10, 20- or 25-year terms
- ❑ Fixed interest rate
- ❑ Use of proceeds for fixed assets like equipment and land, including expansion or modernization

# **SBA Financial Assistance Programs – Part III**


## **Microloan Program**

- ❑ For-profit business, non-profit childcare centers
- ❑ Loans up to \$50,000
- ❑ Terms up to 10 years
- ❑ Negotiated interest rate between intermediary and borrower (maximum set by SBA)
- ❑ Use of proceeds for working capital and acquisition of materials, supplies, furniture, fixtures, and equipment



# Kennebec Telephone Company

Kennebec, SD

- Population: 308
  - Kennebec Telephone Company provides broadband services to its small community
  - Received a PPP that allowed the company to keep employees on payroll as they committed to providing broadband services to new teleworkers and students going to school online, regardless of ability to pay
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# Contact Us

□ Learn more about the Office of Rural Affairs: [www.sba.gov/rural](http://www.sba.gov/rural)

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