



# Great Plains Bank

Dear valued customer,

Thank you for trusting us to serve you during these difficult and uncertain times. We understand that the current situation surrounding COVID-19 can cause a great deal of anxiety and stress, especially when it comes to your businesses' finances and we want to ensure you we are here to help. Great Plains is in the process of putting an action plan together to help our customers fight through this sudden economic crisis that many are facing. One piece of this action plan is to make you aware of the substantial help the government is making available to small businesses through the Small Business Administration and to help you apply for the benefit that you qualify for.

The Small Business Administration has recently approved the Economic Injury Disaster Loan Program. This program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. Details about this program can be found in the enclosed fact sheet. This loan is a direct loan through the SBA and you can apply by completing the simple application online. If you want our assistance in completing the application please do not hesitate to let us know and we will be glad to take the lead to get it done. Reach out to your Great Plains loan officer and let us know how we can help.

As previously stated, the SBA funding resource is an important part of a plan to get through these difficult times. We realize, however, that it is just a piece of the solution. Please let us know what your concerns are so we can work together to try to solve the problems you're facing.

We appreciate you banking with us and we look forward to working with you through these tough times as we push towards a brighter future.

Sincerely,

The Great Plains Bank Team



# Great Plains Bank

## Small Business Administration Disaster Loan Assistance Available: Economic Injury Disaster Loans (EIDL)

### What businesses are eligible to apply?

These are working capital loans to help small businesses, small agriculture cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes that have been affected by the result of the Coronavirus virus.

### Includes:

- Businesses directly affected by the disaster
- Businesses offering services directly related to the businesses in the declaration
- Other businesses indirectly related to the industry that are likely to be harmed by losses in their community.

### Ineligible Entities that will not qualify:

- Production Agricultural Enterprises- defined as engaged in the production of food and fiber, ranching, and raising of livestock and all other farming and agriculture related industries
- Religious Organization
- Charitable Organization
- Gambling concerns or organization that derive more than 1/3<sup>rd</sup> of their annual gross revenue from legal gambling activities
- Casinos and Racetracks
- Marijuana related Business

### Criteria for Loan Approval

- Credit History- Applicants must have a credit history acceptable to SBA
- Repayment- Applicants must show the ability to repay the loan
- Collateral- Collateral is required for all EIDL loans over \$25,000.00 SBA takes real estate as collateral when it is available, SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.
- Application business must be physically located in a declared state and suffered working capital losses due to the coronavirus pandemic, not due to a downturn in the economy or other reasons.

### How much can a business borrow?

The law limits the EIDL loans to a maximum of \$2,000,000.00 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit.

**Interest Rates:**

- 3.75% fixed for the life of the loan for Small Businesses
- 2.75% fixed for the life of the loan for Non-Profit organizations

**Loan Terms:**

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

**Eligibility for these working capital loans are based on:**

- Size and type of business (must be a small business)
- Business financial resources

**How can loan funds be used?**

Pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred.

**Non-eligible uses of funds:**

- To pay Dividends, shareholder note payments, fixed asset purchases or repairs to physical facilities
- Long term debt refinance, personal expenses, pay direct federal debt (SBA-guaranteed loan payments allowed)
- Borrowers are required to maintain ALL receipts for their year's in case of an audit

**What are the collateral requirements?**

- Economic Injury Disaster Loans over \$25,000.00 will require collateral:
- Real estate as collateral if available,
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available
- Lien/mortgage will be behind existing liens/mortgages
- Personal guarantees of 20% or more ownership

**Important information:**

- Apply online at [www.sba.gov/disaster](http://www.sba.gov/disaster) This is a direct loan with SBA and not a bank loan.
- No cost to apply- only normal recording fees
- No obligation to take the loan if offered
- Applications qualify for an EIDL for the Coronavirus (Covid-19) disaster even if they have an existing SBA Disaster Loan. Current loans cannot be consolidated with other SBA guaranteed loans

## Information Required

- Completed SBA loan application (SBA Form 5)
- EIDL supporting information Form
- Tax Info Authorization IRS Form 4506T
- Most recent Federal Income tax return
- Schedule of Liabilities (SBA form 2202)
- Personal financial Statement (SBA Form 413)
- If most recent Federal income tax return not yet filed:
- You will need Year end 2019 Profit and loss statement
- Current year to date profit and loss statement
- Current Balance sheet
- Additional Filing requirements SBA Form 1368 providing monthly sales figures

## Processing Times:

- Expect 3-7 business days for processing and up to 30 days for funding-direct deposit to customers accounts.
- We expect this timeframe to increase due to high demand, but the SBA has said they are going to process as quickly as possible.

## Contact for Assistance:

SBA EIDL Customer service 1-800-659-2955 or [disastercustomerservices@sba.gov](mailto:disastercustomerservices@sba.gov)

### Oklahoma SBA Office

Dustin Allen

Lender Relations Specialist

Oklahoma District Office

### U.S. Small Business Administration

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