



ECONOMIC DEVELOPMENT COLLABORATIVE FEDERAL FUNDING PREPARATION GUIDE

In anticipation of a second round of funding approved by the federal government for business assistance, EDC encourages all business owners seeking additional capital to follow the recommendations detailed below. For further assistance please contact our Business Resource Hotline 805.409.9159 to set up an appointment with an advisor.

RECOMMENDED IMMEDIATE ACTIONS

Please note, due to the volume of assistance requests banking institutions and SBA received during the first round of funding, we anticipate this second round to move very quickly. For this reason, we highly encourage all who are seeking additional capital to not hesitate in applying when additional funds become available.

- **If you are considering applying for the Paycheck Protection Program and do not have an established relationship with a local lender, do your research now to find a lending institution that will be ready to accept your application when funds become available.**
- **If you are considering applying for PPP or EIDL, gather the necessary financial documents needed to make the application. Details are provided below.**

PAYCHECK PROTECTION PROGRAM (PPP)

1. If I have applied for PPP with a bank and have been declined what should I do? Should I apply at another bank?

First, obtain the reason for the declination. If you decide to apply at another bank, keep in mind that you will be at the end of the waiting list at the new bank. You may consider non-traditional banks - primarily electronic banks like PayPal and some loan aggregators such as Heartland, Kabbage and Lendio but we advise you to be careful as we have found that some charge a fee for finding a lender.

2. What do I do if I have been in limbo with a bank and my application has not yet been processed? Do I stay with that bank or go to another?

We advise that you check with the bank representative about the reason for the delay. If it is because the bank was overwhelmed with the volume, staying with that bank could be faster than starting the process with another institution where you have no relationship.

3. I want to “cancel” my application a bank that has not responded to my application and find another lender. How do I do this?

We advise that you send an email with reference to the application (date, number, program, etc.) indicating that you want to withdraw your application.

4. I want to apply for PPP. Is there a list of what documents banks are looking for?

Most banks will have a different list of required documents. In general, we have found the following to be most consistently requested:

- a. IRS 940-941
- b. Entity documents (Articles of Incorporation, LLC-12/ Ops. agreement, etc)
- c. Active status on the state portal (<https://businesssearch.sos.ca.gov/>)
- d. Schedule C (sole proprietors)
- e. Business license (sole proprietors)
- f. Past 3 years of tax returns or 2019 year end financials if tax returns are not available

ECONOMIC INJURY DISASTER LOAN (EIDL)

1. I need additional capital. Should I apply for EIDL?

Do not hesitate to apply. This loan product under the CARES Act has been extended to include an up to 10K grant for successful applications. There is no prepayment penalty and if you find that you are approved and do not need additional capital at the time of approval, you do not need to receive it. For more information, please call SBA customer service (800) 659-2955 or email disastercustomerservice@sba.gov.

2. Is there a list of required documents I need to have on hand in order to complete the EIDL application?

Your loan amount will be based on what SBA loan analysts determine you need based on the financial details that you provide at the time of application.

The Economic Development Collaborative hosts the Small Business Development Center in partnership with the Los Angeles Regional Small Business Development Center and is funded in part through a cooperative agreement with the U.S. Small Business Administration.

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