

Apply quickly for federal stimulus loans

Written by Staff Reports
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Eighty-one days; counting down

SANTA FE - New Mexico small businesses in financial distress due to the COVID-19 crisis are encouraged to apply as soon as possible for loans made available under the federal stimulus bill.

The stimulus bill, or Cares Act, allocates \$349 billion for loans to small businesses. But businesses only have until June 30 to access the money, and loans will be made on a first-come, first-served basis.

“This money will go quickly, and New Mexico small businesses must act as soon as possible to obtain loans,” Economic Development Secretary Alicia Keyes said April 4. “Many businesses struggling through this crisis need a financial bridge to help them survive and recover once this crisis eases.”

There are two loan programs for small businesses under the stimulus bill: the Economic Injury Disaster Loan Program and the Paycheck Protection Program.

Under the Economic Injury Disaster Loan Program, a small business can borrow up to \$2 million, with an immediate grant advance up to \$10,000 that can be distributed in three days to a business.

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Small businesses can apply for the loans through the U.S. Small Business Administration at <https://disasterloan.sba.gov/ela/>

Applications can also be made through the SBA's Small Business Development Centers. There are 19 centers in New Mexico, and they offer instruction and guidance on how to apply for the loans. The website for the centers is nmsbdc.org

Under the Paycheck Protection Program, a small business can borrow up to \$10 million, with an interest rate of 1 percent. The loan is deferrable for six months.

The SBA will forgive Paycheck Protection Program loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest or utilities. A small business must work through its lender to apply for a loan. For more information, go to www.sba.gov/paycheckprotection

In addition to the loans made available under the stimulus bill, the New Mexico Economic Development Department also has created loan-guarantee and no-interest loan programs for businesses. For more information, go to <https://gonm.biz/>

There is also telephone help through the New Mexico Economic Development Department at (833) 551-0518. The EDD has four employees answering about 150 calls a day, channeled through this COVID-19 non-emergency number. EDD gives callers the opportunity to connect with their regional representatives and dedicated finance experts within the department to ask questions relating to financial loans and grants offered by the state and federal governments.