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H.E.L.P. Loan Expansion

The H.E.L.P. loan program was designed to be a supplement to the much larger resources that the Federal government was expected to deploy as part of COVID-19 response efforts. The idea was that H.E.L.P. loans would provide funding for some that may be unable to access that support or may not be able to wait for it to be made available to them. Primarily, it was assumed that these would be the smallest businesses in our community.

These Federal programs did come to fruition through the Payroll Protection Plan created through the CARES Act, and many businesses small and large have been helped through that. Unfortunately, one of the key industries the H.E.L.P. program was created for, the restaurant industry, has had difficulty accessing that program due to structural difficulties in their typical business models. Because of this, the Division of Small Business is moving to modify the H.E.L.P. program for these businesses in order to react to this and preserve as many Delaware small businesses as possible.

Below “qualifying business” refers to businesses with a first four-digit NAICS code of 7225

The changes are as follows:

- The revenue limit for a qualifying business in this category is lifted to \$15 million.
- Qualifying businesses in this category can apply for monthly loans of up to \$10,000 to cover a range of fixed expenses.
- If a qualifying business’ total mortgage or lease payments in a month (across a single location or multiple) exceed \$10,000, they are eligible to apply for a loan of up to \$50,000 per month to cover those two expenses.
- The eligibility requirements remain the same even for these expanded loans - an applicant must show that they paid their lease or mortgage for at least 10/12 months prior to making a first application for assistance. An application must include proof that this requirement is met to be approved. A letter from a landlord or bank on the organization’s letterhead certifying this is sufficient for these purposes.
- Applicants must submit a calendar year 2019 Balance Sheet and Income Statement (P&L) in order to certify eligibility.
- The terms of all H.E.L.P. loans remain unchanged: 9 months of no payments, 10-year repayment schedule thereafter, 0% interest (monthly payments per \$10k borrowed are equal to approximately \$85/month).