

CARES Act Guidance

The Small Business Administration (SBA) and the Department of Treasury have released information on the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*.

Here you will find information on COVID-19 related programs that the SBA is providing, including the Paycheck Protection Program, Economic Injury Disaster Loans and Emergency Grants, and Small Business Debt Relief.

Funding Options



Paycheck Protection Program

This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.

Loan Information

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

Who Can Apply

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. This loan has a maturity of 2 years and an interest rate of 1%.

If you wish to begin preparing your application, you can download a copy of the PPP borrower application form to see the information that will be requested from you when you apply with a lender at <https://tinyurl.com/sbappform>.

Other Assistance

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are currently eligible to apply for disaster assistance.

Enhanced Debt Relief is also available in SBA's other business loan programs to help small businesses overcome the challenges created by this health crisis.

For information on additional Lending options, visit <https://tinyurl.com/sbalendoption>.

SBA provides local assistance via 68 district offices and a nationwide network of resource partners. To find resources near you, visit <https://www.sba.gov/local-assistance>.



EIDL Loan Advance

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

Overview

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available following a successful application. This loan advance will not have to be repaid.

Eligibility

The SBA's Economic Injury Disaster Loan provides vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic.

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.

Funds will be made available within days of a successful application, and this loan will not have to be repaid. Lenders may begin processing loan applications as soon as April 3, 2020
Apply for a COVID-19 Economic Injury Disaster Loan at <https://tinyurl.com/sbaloanassist>.



SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.

Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly, visit <https://tinyurl.com/expressbridgeloan>. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan at <https://www.sba.gov/funding-programs/disaster-assistance>. If a small business has an urgent need for cash while waiting for decision and disbursement on an Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

Terms

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan



SBA Debt Relief

The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

Overview

As part of SBA's debt relief efforts,

- The SBA will automatically pay the principal, interest, and fees of **current 7(a) loans** for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of **new 7(a) loans** issued prior to September 27, 2020.

Resources:

CARES Act:

<https://www.congress.gov/bill/116th-congress/senate-bill/3548/text>

SBA Coronavirus Relief Options:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

US Senate Committee on Small Business and Entrepreneurship The Small Business Owner's Guide to the CARES Act FAQ:

<https://tinyurl.com/smallbusfaq>