

# **COVID-19 Emergency Loans For Small Business**

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## Small Business Association

The SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation's only go-to resource and voice for small businesses.

<https://www.sba.gov/about-sba>



### **Payment Protection Program**

### **EIDL Loan Advance**

### **SBA Express Bridge Loans**

### **SBA Debt Relief**

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

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

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

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

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## ▶ **Coronavirus Aid, Relief, and Economic Security (CARES) Act**

- \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn.

## ▶ **The “Paycheck Protection Program”**

- This initiative provides 100% federally guaranteed loans to small businesses.
- The loan amounts may be forgiven as long as:
  - The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
  - Employee and compensation levels are maintained.

## ▶ **When can I apply?**

- Starting **April 3, 2020**, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

## ▶ **How much can I BORROW?**

- Loans can be up to 2.5 x the borrower’s average monthly payroll costs, not to exceed \$10 million.
- Payroll costs are capped at \$100,000 on an annualized basis for each employee.
- Final Rule has the calculations to assist you

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## ▶ **What do I need to apply?**

- You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020

## ▶ **Where can I apply?**

- Visit [www.sba.gov](http://www.sba.gov) for a list of SBA lenders.

## ▶ **How long will this program last?**

- Although the program is open until June 30, 2020, we encourage you to apply as quickly as you can because there is a funding cap and lenders need time to process your loan.

## ▶ **What can I use these loans for?**

- You should use the proceeds from these loans on your:
  - Payroll costs, including benefits;
  - Interest on mortgage obligations
  - Rent
  - Utilities

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## ▶ What counts as payroll costs?

– Payroll costs include:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee)
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee

**Additional details can be found in:**

### **PPP Fact Sheet**

**<https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>**

### **SBA Final Rule**

**<https://www.sba.gov/document/policy-guidance--ppp-interim-final-rule>**