



**ALERT**

# SMALL BUSINESS LOAN AND FUNDING OPTIONS UNDER THE CARES ACT

On April 1, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which contains \$376 billion federally guaranteed loan programs for small businesses, certain non-profits, sole proprietors and independent contractors.

In addition to traditional SBA funding programs, the CARES Act has established several new temporary programs to provide some relief for small business owners during the COVID-19 outbreak.

## PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program is a 100 percent guaranteed loan to employers to provide a direct incentive for small businesses to keep their workers on the payroll.

If employers maintain their payroll for eight weeks during the crises, all loans and the money used for payroll, rent, mortgage interest, or utilities will be forgiven.

Small Business owners and other eligible entities will be able to apply through any existing SBA 7(a) lender or federally insured depository bank or credit union as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

### Who Can Apply

The following entities affected by Coronavirus (COVID-19) may be eligible:

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
  - 500 employees, or, that meets the SBA industry size standard if more than 500
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Sole proprietors, independent contractors, and self-employed persons

## EIDL Loan Advance

Small businesses that are in immediately in need of funds to keep their business operating would benefit from the Emergency Economic Injury Grant. These grants provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL).

### Who Can Apply

Those eligible are the following with 500 or fewer employees:

- Sole proprietorships, with or without employees
- Independent contractors
- Cooperatives and employee-owned businesses
- Tribal small businesses

Small business concerns and small agricultural organizations that meet the applicable size standard for SBA are also eligible, as well as most private non-profits of any size.

[Click here to learn more on size standard »](#)

To access the advance, you first apply for an EIDL and then request the advance. The grant does not need to be repaid and may be used to keep employees on payroll or pay any business needs or obligations, including debts, rent, and mortgage payments.

## SBA EXPRESS BRIDGE LOANS

Small businesses who currently have a business relationship with an SBA Express Lender can access up to \$25,000 through the Express Bridge Loan Pilot Program quickly. 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 loan or used to bridge the gap while applying for an Economic Injury Disaster Loan.

### What are the Terms:

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

## SBA DEBT RELIEF

For small businesses that need immediate relief with non-disaster SBA loans, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months, including new borrowers that have taken out loans within six months.

### What are the Terms:

- Loans not made under the Paycheck Protection Program (Disaster loans are not eligible)
- 504 loans
- Microloans

To keep up to date on information about the CARES Act, go to: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options> or contact with your local Small Business Administration (SBA) District Office, which you can locate [here](#).