

SBA LOANS

PAYCHECK PROTECTION PROGRAM



WHAT IS THE PAYCHECK PROTECTION PROGRAM (PPP)?

A new \$350 billion loan program that provides small businesses with funds to pay up to eight weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent and utilities.

WHO IS ELIGIBLE?

Small businesses with 500 or fewer employees – including non-profits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors. Businesses with more than 500 employees may still be eligible, so long as they meet certain other requirements. Click [here](#) to find out if your business meets SBA's small business size standards. You will need the six-digit NAICS code for your business and your business's three-year average annual revenue.

HOW DO I APPLY?

You can apply through any existing SBA lender. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. Lenders may apply to the SBA starting April 10, 2020. You should consult your local lender as to whether it is participating.

ECONOMIC INJURY DISASTER LOAN (EIDL) AND EMERGENCY GRANTS



WHAT IS AN ECONOMIC INJURY DISASTER LOAN (EIDL)?

A low-interest, fixed rate loan that can provide up to \$2 million in assistance for small businesses that can be used to pay expenses during an emergency.

WHAT IS AN EMERGENCY EIDL GRANT?

A new grant program that provides small businesses and private non-profits an emergency advance of up to \$10,000 to be paid by the SBA within three days of submission of the application. Emergency grants must be requested in the EIDL application. The advance does not need to be repaid under any circumstance.

WHO IS ELIGIBLE?

Small businesses with 500 or fewer employees – including private non-profits, small agricultural cooperatives, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors. Click [here](#) to find out if your business meets SBA's small business size standards. You will need the six-digit NAICS code for your business and your business's three-year average annual revenue.

HOW DO I APPLY?

Eligible entities can apply for an EIDL online [here](#).

SBA LOANS

WHEN CAN I APPLY?

Small businesses and sole proprietorships can apply through an existing SBA lender starting April 3, 2020. Independent contractors and sole proprietorships can apply starting April 10, 2020. The U.S. Treasury encourages you to apply as quickly as you can because there is a funding cap.



WHAT IS THE FORGIVENESS CRITERIA?

Borrowers are eligible for loan forgiveness in an amount equal to what the borrower expects to pay in payroll costs, rent payments, payments of interest on any covered mortgage obligation and utilities, for the eight weeks following the origination of the loan. However, the amount of loan forgiveness shall not exceed the principal financed. Any balance outstanding after the forgiveness determination will be termed out over two years at one percent.

The forgiveness amount will be reduced if the borrower reduces the number of employees as compared to last year, or if the employer reduces the pay of any employee by more than 25 percent as compared to the same quarter last year.

Employers who rehire workers by June 30, 2020 who were previously terminated, furloughed or laid off from February 15, 2020 through April 26, 2020 will not be penalized for having a reduced payroll at the beginning of the assessment period.



WHAT IS THE COVERED PERIOD OF THE LOAN?

The covered period during which expenses can be forgiven extends eight weeks from the date of loan funding.

WHEN CAN I APPLY?

You can apply for an EIDL now.



HOW LONG ARE THE EMERGENCY EIDL GRANTS AVAILABLE?

January 31, 2020 – December 31, 2020. The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to also receive an emergency grant.



HOW CAN IT BE USED?

EIDLs are working capital loans that can be used for any allowable purpose under the EIDL program, including to maintain payroll, provide paid sick leave, make payments on fixed debts such as mortgage or rent payments, and other bills that could have been paid had the disaster not occurred. Note: *Under the CARES Act, EIDLs and PPP loans cannot be used for the same purpose.*

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