CARES Act – SBA Assistance

• Paycheck Protection Program – $349 billion to provide forgivable loans to small firms who retain their workers
  • Eligible recipients may qualify for loan up to $10 million
    • Determined by 8 weeks of prior average payroll plus 25% for operating expenses
  • Loans made by private financial institutions & backed fully by US govt.
  • If maintain workforce, SBA forgives loan if:
    1. FTEs held steady
    2. Payroll maintained at least at 75% of previous quarter

• 6 million US small firms with paid employees
  • Expectation funds will be exhausted quickly
CARES Act – Other SBA Assistance

• Economic Injury Disaster Loans and Loan Advance – low-interest direct loan program includes $10,000 advance payment that does not need to be repaid even if loan request in denied
  • Loans can't be used for same purposes as PPP if both programs used
• SBA Debt Relief – provides reprieve for firms with existing/new 7(a) loans
  • SBA will pay scheduled P&I for existing 7(a) borrowers & new 7(a) borrowers who take out loans prior to September 27, 2020
• SBA Express Bridge Loans – Allows borrowers who currently have a business relationship with an SBA Express Lender to access up to $25,000 with less paperwork
  • Bridge gap while applying for direct SBA Economic Injury Disaster loan