



**Small Business Interruption Loans from the CARES Act**

	<b>Economic Injury Disaster Loan (EIDL)</b>	<b>Paycheck Protection Program (PPP) Loans</b>
<b>Eligibly:</b>	The following is affected by COVID-19: <ul style="list-style-type: none"> <li>- Small Business (fewer than 500 employees)</li> <li>- Sole Proprietorships</li> <li>- Independent contractors</li> <li>- 501c, (d), or (e) private non-profits</li> </ul>	The following is affected by COVID-19 and in operation on February 15, 2020 and had 500 or fewer employees or 1099 Independent sub-contractors with principal addresses in the US. <ul style="list-style-type: none"> <li>- Small Businesses (fewer than 500 employees)</li> <li>- Sole Proprietorships</li> <li>- Independent Contractors</li> <li>- eligible self-employed individuals</li> <li>- 501c (3) and 501c (19) non-profits.</li> </ul>
<b>Purpose of Loan Proceeds:</b>	Available to pay expenses that could have been met had the disaster no occurred: <ul style="list-style-type: none"> <li>-Payroll Costs</li> <li>-Operating Expenses</li> </ul>	Available for: <ul style="list-style-type: none"> <li>-Compensation (salary, wage, commission, payment of cash tips)</li> <li>-Payment for vacation, parental, family, medical or sick leave</li> <li>-Allowance for dismissal or separation</li> <li>-Payment required to keep group health care benefits, including insurance premiums</li> <li>-Payment of any retirement benefit</li> <li>-Payment of State/Local tax assessments on the compensation (Suta)</li> <li>-Payments of interest on any mortgage obligations, or debt obligation that was incurred before the covered period</li> <li>-Rent (including rent under a lease agreement)</li> <li>-Utilities</li> </ul>
<b>Can NOT use Loan Proceeds for:</b>		<ul style="list-style-type: none"> <li>-Employee/Owner Compensation over \$100,000</li> <li>-Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code</li> <li>-Compensation of employees whose principal residence is outside of the U.S.</li> <li>-Qualified sick, child care or family leave for which a credit is allowed under sections 7001 and 7003 of the (FFSRA)</li> <li>-Work Opportunity Tax Credit wages</li> <li>-Wages paid thru Employee Retention credit</li> <li>-Deferment of payroll taxes</li> </ul>
<b>Where to Apply:</b>	Online at <a href="http://www.SBA.gov">www.SBA.gov</a>	Visit your local bank first, or any 7a qualified lender
<b>Apply by:</b>	<b>Deadline: 12/31/20</b>	4/3/20 – Small Businesses and Sole Proprietors 4/10/20 – Independent Contractors and Self-Employed <b>Deadline: 6/30/20</b>

<b>Loan Amounts:</b>	Up to 2,000,000	<p>Maximum loan amount is lesser of \$10 million or an amount that you will calculate using a payroll-based formula of Monthly Average payroll for 2019 excluding costs over \$100,000 on an annualized basis for each employee.</p> <ul style="list-style-type: none"> <li>• Seasonal employees will use time period between 02/15/19 and 06/30/19, excluding costs over \$100,000 per employee.</li> <li>• For new businesses use time period of 01/01/20 thru 02/29/20 excluding costs over \$100,00 per employee.</li> <li>• If applicant is refinancing an EIDL loan you will add the outstanding EIDL made between 01/31/20 and 04/30/20 less amount any advance to loan request.</li> </ul>
<b>Loan Terms:</b>		<p>2 years and 1% fixed rate 6 months deferment up to 1 year determined by lender</p> <p>Max interest rate is 4%</p>
<b>Loan Fees:</b>	None, no prepayment fees	None, no prepayment fees
<b>Collateral:</b>	None	None
<b>Lenders:</b>	<a href="http://www.Sba.gov">www.Sba.gov</a>	Local banks and 7(a) approved lenders, can be found on <a href="http://www.sba.gov">www.sba.gov</a>
<b>Qualifies for Loan Forgiveness:</b>	No	<p>Yes, the amount of forgiveness can be up to the full principal amount of loan and any accrued interest is used for forgivable purposes listed below and employee and compensation levels are maintained:</p> <ul style="list-style-type: none"> <li>• 8 weeks of payroll based on Employee retention and salary levels after date of loan</li> <li>• Payments interest on mortgage incurred before 02/15/20</li> <li>• Rent Payments for business dated before 02/15/20</li> <li>• Utility payments under service agreement before 02/15/20</li> <li>• Health insurance premiums</li> <li>• Retirement Benefits</li> </ul>

<p><b>Forgiveness Calculation:</b></p>		<p>Forgiveness will be calculated based on the aggregate sum of the following items paid within 8 weeks period after the loan proceeds are received.</p> <ul style="list-style-type: none"> <li>• 75% must be used on payroll costs</li> <li>• No more than 25% of loan forgiveness can be attributable to non-payroll costs.</li> <li>• Forgiveness will be reduced if you decrease your full-time employee headcount</li> <li>• If you decrease payroll by more than 25%</li> <li>• You don't restore your full-time employment and salary levels for changed made between 2/15/20 and 4/23/20 by 06/30/2020</li> <li>• Can't receive any other loan under this program from 02/15/20 thru 12/31/20</li> <li>• <b>Must keep documentation of all expense and be able to reconcile for forgiveness. Suggest to set up a separate bank account</b></li> </ul>
<p><b>Requirements of Loan:</b></p>	<p>Can not be used for the same workers that may be covered under the PPP or Leave Acts</p>	<ul style="list-style-type: none"> <li>• Must maintain your payroll and staff and pay wages.</li> <li>• Can not be used for any other credits or deferment of payroll taxes or retention credit or Work Opportunity Tax Credit wage</li> <li>• Misuse of fund the whole amount of loan will need repaid.</li> <li>• Only apply for 1 PPP Loan</li> </ul>
<p><b>Emergency Economic Injury Grant</b></p>	<ul style="list-style-type: none"> <li>• Is an emergency grant of up to \$10,000 (received within 3 days of applying) <b>*Does not need to be repaid*</b></li> <li>• Must be eligible for the EIDL and in operation since 1/31/20.</li> <li>• Can be used to keep employees on payroll, pay for sick leave, meet increased production costs due to supply chain distributions, or pay business obligations, including debts, rent and mortgage payments.</li> <li>• No Duplicate of expenses under another Loan</li> <li>• If used for payroll, your PPP Loan must be used to refinance your EIDL loan. Proceeds from advance up to \$10,000 on EIDL loan will be reduced from the loan forgiveness amount on the PPP Loan.</li> </ul>	<p>May take the Economic Injury Grant, but cannot duplicate the use of those funds with this or any other loan. (Must apply for the EIDL to access the grant)</p>