

Late last week, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. This \$2 trillion relief package covered a number of areas, with \$350 billion specifically set aside to help businesses like yours.

The United States Small Business Administration (SBA) has not yet published guidance or established the process for businesses to apply for loans or relief. While we are waiting for specific guidance from the SBA, we want to make sure you have the information we know at this time so you can begin your path forward. *Please keep in mind that these are general guidelines and subject to final rule-making and eligibility requirements from the SBA.*

WHAT WE KNOW SO FAR

- To qualify, companies and nonprofits must have fewer than 500 total employees, including all affiliates, subsidiaries and companies under common ownership. Certain exceptions apply for small businesses in the food service sector, franchises and SBIC-financed businesses.
- You can apply for both an Economic Injury Disaster Loan (through the SBA) and a Payroll Protection Program Loan, but there may be no duplication in the use of funds.
- The maximum loan amount is 2.5 times your monthly payroll, up to \$10 million, with a maximum interest rate of 4%.
- A portion of the loan can be forgiven. Subject to certain restrictions, the portion of the loan eligible for forgiveness can include payments made during an eight-week period following your loan funding (the eight weeks cannot go beyond June 30, 2020) for the following: payroll and benefits, interest payments on mortgages, rent payments, health insurance, and utility payments.
- These will be unsecured loans that do not require personal guarantees.
- You may be able to defer payments up to 12 months.

WHAT YOU CAN DO NOW

- **DO NOT FILL OUT ANY FORMS YET. THE SBA HAS NOT YET PROVIDED THE APPLICATION PROCESS.**
- Identify and compile records for those expenses that can be covered by the program.
- If you've already had to reduce your workforce due to COVID-19, determine if you would like to rehire them. They will be covered.
- Collect the documentation you typically need for a loan application:
 - ◇ **Financial statements** – Interim 2020 income statement and balance sheet and full year 2019 income statement and balance sheet
 - ◇ **Tax Returns** – last three (3) years of federal returns for business
 - ◇ **2019 payroll information**
 - ◇ **Current organizational documents** – Bylaws, articles and operating agreements
 - ◇ **General liability insurance information**
 - ◇ Current **building lease & any amendments**
- Watch for updates from your banker. The SBA will provide processes and forms as this week progresses.

[CLICK HERE](#) to visit our resource center with the additional available options for businesses in one place. It will be updated regularly as we gather more and get more information about the SBA programs and how they will work.

We know many of you have never had to apply for an SBA loan, and the process may seem daunting under the current circumstances. As one of the top SBA lenders in the area, we are here and uniquely qualified to help you and your business navigate this process.

Your financial security, both during and after this crisis, is a top priority for us. We have dedicated our experts and resources from around our network to help you. We know you need answers, and we are going to do our very best to get them for you and work with you through this process.

Please do not hesitate to call us if you have any questions.