Economic Relief and Small Business Loans in the CARES act

Disaster Loan (EIDL) and Loan Advance

• Apply Now
  - No deadline, but limited funding for the $10k advance is first come, first served
  - Apply directly through SBA website: https://covid19relief.sba.gov/#/
• Open to businesses with <500 employees, sole proprietors, and independent contractors
• Terms: 3.75% interest, up to 30-year repayment, 12 months no payments.
• First $10,000 as an advance / grant, disbursed within 3 days, will not need to be repaid.
  - Up to $200,000 maximum

Paycheck Protection Program Loan (also referred to as a 7(a) loan)

• Applications will open in early April 2020
  - Applications will be through SBA-approved local banks
  - Terms: 4% interest, up to 10-year repayment, 6–12 months no payments.
• Up to 2.5X average monthly payroll costs.
• Open to businesses with <500 employees, sole proprietors, and independent contractors
• Forgiveable if used to maintain payroll during the crisis or restore payroll afterward.
• Can be used to cover payroll costs, rent, mortgage, or utilities.
• Forgivable: Amount spent within 8 weeks after loan closing (approx May 1 – June 30) is forgiveable if used to maintain payroll during crisis or restore payroll afterward.
• Must be spent down within 8 weeks after loan closing (approx May 1 – June 30).
• Option to roll EIDL loan into PPPL.

*Be sure to consult with a tax professional