

The 2020 CARES Act

Paycheck Protection Program

1. What is The CARES Act?


- The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides financial relief to the American people and businesses in response to the financial fallout from COVID-19. This Act will provide direct financial aid to American families, payroll and operating expenses to support small businesses with loan assistance.

2. How are loans from The CARES Act provided?

- Monies from The CARES Act are provided through federally backed loans under a modified and expanded Small Business Administration (SBA) 7(a) loan guaranty program titled – Paycheck Protection Program. These loans are structured to provide qualifying businesses with funds quickly through approved lenders (banks and non-banks).

3. Which employers does The CARES Act apply to?

- Any public or private employer who has less than 500 employees who are in operation as of 2/15/2020.

Key Points	How Obtained & Payment Procedures?
<ul style="list-style-type: none"> • Deadline to apply is 6/30/2020 • Available to businesses who: <ul style="list-style-type: none"> ○ Have less than 500 employees ○ Are nonprofit organizations ○ Are eligible independent contractors and sole proprietors • Borrowers can borrow up to a maximum of 2.5 times their monthly payroll expenses (up to a maximum of \$10 million). • Applicable uses for the loan proceeds include: <ul style="list-style-type: none"> ○ qualified payroll costs (i.e. – salary, leave payout, severance, retirement, etc.); ○ rent; ○ utilities; and ○ interest on mortgage and other debt obligations. ○ Salaries cannot drop at any time during the loan; ○ Salaries above \$100K cannot be included in the loan forgiveness • Loan forgiveness is available for funds used to pay 8 weeks of payroll and other qualified expenses. 	<ul style="list-style-type: none"> • Visit https://covid19relief.sba.gov/#/ to view resources and apply for loan assistance. <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center; color: red; font-weight: bold;">COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION</p>  </div> <ul style="list-style-type: none"> • Loans will be available through SBA and Treasury approved banks, credit unions, and some nonbank lenders. • Be advised the full application process can take approximately two (2) hours to complete. • 60 days after loan approval before any forgiveness of debt. • 4% max interest rate on loans. • Loans must be repaid within one (1) year or the loan debt will become a term debt.

Additional information, resources and forms can be found -
<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>