

## COVID-19 Small Business Resources

In late March 2020, Congress responded to the COVID-19 emergency with a stimulus bill, the CARES (Coronavirus Aid, Relief, and Economic Security) Act, which provides a series of economic-relief measures for American workers. In addition to [the CARES Act Summary from March 27, 2020](#), the NCCAOM and ASA have created this COVID-19 Small Business Resources Guide to provide additional information and comparison for small-business loans.

### CARES Act Highlights:

- **Direct Phase-Out Payments:** \$1,200/adult and \$500/child.
- **Expanded Unemployment Insurance:** Provides \$600/week to furloughed, gig, and freelance workers. Supplements state insurance through July 2020.
- **Retirement-Fund Withdrawals:** Waives tax penalties for withdrawing up to \$100,000.
- **Federal Student Loans:** Repayments and interest suspended until September 30, 2020.
- **Mortgage & Rent Relief:** Prohibits foreclosures and evictions for federally supported mortgages until May 27, 2020.
- **Small-Business Relief:** Makes relief loans/grants available through the Paycheck Protection Program and the Economic Injury Disaster Loan program.

The Small Business Administration provides the following resources to small business owners, which includes sole proprietors. *Please consult your accountant and lenders when determining if one of these loans is right for you.*

### Paycheck Protection Program

Purpose: Maintain payrolls and current salary levels.

### How it Works

Provides small businesses loans to maintain payrolls for eight weeks (including benefits). Recipients can also use funds pay interest on mortgages, rent, and utilities.

Loan Amount: Loan Max: lesser of \$10 million or 2.5x avg. monthly payroll costs.

### Eligibility

- Business with fewer than 500 employees
- Sole Proprietors
- Independent Contractors
- Self-Employed
- Private non-profits or 501(c)(19) veterans organizations

### Loan Forgiveness

- Fully forgiven if recipient uses loan for payroll, mortgages, rent, and utilities.\*
- Based on employer maintaining or rehiring staff.
- Forgiveness reduced as payroll or salaries decrease.

\*At least 75 percent needs to be for payroll.\*

### Repayment Details

- Repayments deferred for six months.
- No collateral or personal guarantees required.
- No government or lender fees.
- Two-year maturity and 1-percent interest rate.

### Additional PPP Resources

<a href="#">Paycheck Protection Program Overview</a>	<a href="#">Paycheck Protection Program Lender Directory</a>
<a href="#">Paycheck Protection Program Fact Sheet</a>	<a href="#">Treasury Dept. COVID-19 Resources</a>
<a href="#">Paycheck Protection Program Application</a>	<a href="#">SBA Local Resources</a>

### Economic Injury Disaster Loan (EIDL)

Purpose: Assist small businesses with overheard and existing business costs.

### How it Works

Provides small businesses affected by COVID-19:

- Up to \$10k loan advance within days of approval (forgivable)
- Up to \$2m (30-yr repayment w/3.37%)

### Eligibility

- Businesses with fewer than 500 full/part-time employees
- Sole proprietors, independent contractors, self-employed
- Private non-profits – 501(c)(19) veterans organizations
- Resides in a state that has declared a COVID-19 emergency

### Loan Forgiveness

- \$10,000 advance forgivable if used for intended purpose.
- Traditional EIDL not forgivable.

### PPP and EIDL – What makes them Different?

- PPP: payroll maintenance
- EIDL: overhead assistance & payroll assistance
- Businesses can apply to both programs
- Recipient will receive less from PPP if already used EIDL for payroll

### Personal Paycheck Program & Economic Injury Disaster Loan Comparison

*This information is for informational purposes only; please consult your accountant and lenders for more information on options that are best for you.*

	Paycheck Protection Program	Economic Injury Disaster Loan
<b>Lender</b>	Commercial banks, credit unions, other approved lenders	Small Business Administration
<b>Program Duration</b>	Through June 2020	2020
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$10m max</li> <li>• 2.5x avg. monthly payroll</li> </ul>	<ul style="list-style-type: none"> <li>• \$2m max</li> <li>• Advance grant: \$10k</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Fewer than 500 employees</li> <li>• Sole proprietor</li> <li>• Independent contractor</li> <li>• Self-employed</li> <li>• Meets SBA industry standards</li> <li>• Operational on Feb. 15, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer than 500 employees</li> <li>• Sole proprietor</li> <li>• Independent contractor</li> <li>• Self-employed</li> <li>• Operational on Jan. 31, 2020</li> </ul>
<b>Eligible Expenses</b>	<ul style="list-style-type: none"> <li>• Payroll/benefits</li> <li>• Mortgage interest (pre-Feb.15)</li> <li>• Rent/lease (pre-Feb.15)</li> <li>• Utilities for services pre-Feb. 15</li> </ul>	<ul style="list-style-type: none"> <li>• Payroll/benefits</li> <li>• Mortgage/rent/lease</li> <li>• Accounts payable</li> <li>• Overhead</li> </ul>
<b>Forgiveness</b>	<ul style="list-style-type: none"> <li>• Forgiven if toward payroll, mortgage/rent, utilities</li> <li>• 75% must be payroll/8 weeks</li> </ul>	<ul style="list-style-type: none"> <li>• Advance \$10k: Forgiven if used properly</li> <li>• Traditional EIDL: No forgiveness option</li> </ul>
<b>Loan Duration</b>	<ul style="list-style-type: none"> <li>• Up to 2 years</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 30 years</li> </ul>
<b>Repayment Period</b>	<ul style="list-style-type: none"> <li>• 2 years</li> <li>• Deferred 6 months</li> </ul>	<ul style="list-style-type: none"> <li>• 10 years</li> <li>• Deferred 1 year</li> </ul>
<b>Interest</b>	<ul style="list-style-type: none"> <li>• All borrowers: 1%</li> </ul>	<ul style="list-style-type: none"> <li>• Businesses: 3.75%</li> <li>• Non Profits: 2.75%</li> </ul>
<b>Personal Guarantee</b>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• For loans over \$200k</li> </ul>
<b>Collateral Requirement</b>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• For loans over \$25k</li> </ul>
<b>Credit Requirements</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Business credit report</li> <li>• Personal credit check with 20% ownership</li> </ul>
<b>Availability</b>	<ul style="list-style-type: none"> <li>• Businesses &amp; Sole Proprietors: Apr. 3, 2020</li> <li>• Independent Contractors &amp; Self-Employed: Apr. 10, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Now (existing program)</li> </ul>
<b>Application</b>	<a href="#">PPP Application</a>	<a href="#">EIDL Application</a>

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