

Overview

SBA is offering small businesses across the country disaster assistance in response to COVID-19. All small businesses, sole proprietorships, and independent contractor should take advantage of the programs that are available. There are two avenues, in particular, we are encouraging small business leaders seeking relief to pursue, both of which can be pursued and awarded simultaneously. These programs include the SBA's: (1) Paycheck Protection Program ("PPP") and (2) Economic Injury Disaster Loans ("EIDLs").

PPP – SBA's \$349 Billion Paycheck Protection Program**

CARES Act establishes a new \$349 billion Paycheck Protection Program ("PPP"). PPP is to provide much-needed relief to millions of small businesses so they can sustain their businesses and keep their workers employed.

- WHO: Small businesses with 500 or fewer employees including *self-employed individuals, sole proprietorships, and independent contractors* are eligible to apply.
- WHAT Amount: Loan amount can equal up to 2.5% of payroll costs of which approx. 2% (or 8 weeks of payroll expenses) can be forgiven if employers maintain payroll. All loans under this program will have:
 - Interest rate of 0.5%
 - Maturity of 2 years
 - First payment deferred for six months
 - 100% guarantee by SBA
 - No collateral
 - No personal guarantees
 - No borrower or lender fees payable to SBA
- WHERE to Apply: Apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. Contact your local lender as to whether it is participating in the program. Some of the information applicants will need include: (i) IRS Taxpayer Identification Number, (ii) average monthly payroll, (iii) number of jobs supported by your company, and (iv) what specifically you want to use the loan for. See [SBA's sample form](#) for other information applicants may need. Treasury Department [link](#) to PPP application.
- WHEN to Apply: The application process will open for small businesses and sole proprietorships on **April 3**, and independent contractors and self-employed individuals on **April 10**. Loans are **first come, first serve**, so please do not hesitate to apply for the loan.
- Addition information can be found:
 - [Link](#) to the SBA's PPP website.
 - Treasury Department's [PPP information sheet for Borrowers](#).
 - Treasury Department's [PPP information sheet for Lenders](#).
 - SBA and Treasury Department [initial guidance](#) on PPP.

**Note, the information above is subject to change as the situation surrounding the PPP and local banks continues to be very fluid. However, we are working with our banking partners to provide you the most up to date information and will update you with any new information. See <https://www.reuters.com/article/us-health-coronavirus-stimulus-banks-exc/exclusive-top-u-s-banks-may-shun-small-business-rescue-plan-on-liability-worries-sources-idUSKBN21K075>.

EIDLs – SBA’s Economic Injury Disaster Loans and \$10,000 Loan Advance

SBA is also offering low-interest federal disaster loans, or EIDLs, for working capital to small businesses suffering substantial economic injury as a result of COVID-19.

- **WHO:** Small business owners eligible to apply.
- **WHAT Amount:** SBA’s EIDL program provides small businesses with working capital loans that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
 - **Up to \$2 million.** Provides small businesses with working capital loans of up to \$2 million.
 - **Up to \$10,000 within 3 days.** The loan advance provides small business up to \$10,000 within three days of a successful application, and this ***loan advance will NOT have to be repaid.***
- **WHERE to Apply:** Directly on the SBA’s website here: <https://covid19relief.sba.gov/#/>.
- **WHEN to Apply: NOW**
- **Additional information can be found:**
 - SBA’s Disaster Loan Applications [webpage](#).
 - SBA Disaster Assistance in Response to the Coronavirus [webpage](#).

For more information on all the SBA disaster relief programs that may be available in response to COVID-19, access the SBA’s Coronavirus (COVID-19): Small Business Guidance & Loan Resources [webpage](#).