SBA Loans and Grants for Businesses Affected by COVID-19

1. **SBA Paycheck Protection Program Loans/SBA § 7(a) Loans** ($350 billion appropriated)
   a. **Significant Features:** Customers deal with their banks, credit unions or Fintech
      i. Maximum loan amount $10 million or 250% of payroll, through 12/31/20
      ii. Interest rate 4%; principal, interest, and fees automatically deferred for 6 months
      iii. Permissible uses of proceeds: payroll support; employee salaries; paid sick/medical leave; insurance premiums; mortgage, rent, or utility payments
      iv. Loans 100% guaranteed by federal government through 12/31/20
      v. SBA will forgive loan amount equal to 8 weeks of permitted expenses and compensate lender (with interest) and forgiven amount not taxed as income
         1. Amounts not forgiven due in 10 years at 4% and remain 100% guaranteed
         2. Forgiveness will be reduced proportionally for reduction in number of employees or pay cuts of more than 25% from previous year’s pay
         3. Encourages rehiring workers already laid off by recalculating payroll base
      vi. U.S. Treasury will work to expand array of lenders authorized to make these loans
      vii. Maximum SBA Express loan raised from $350K to $1 million through 12/31/20
   b. **Eligibility**
      i. Small businesses, 501(c)(3) nonprofits, 501(c)(9) veteran’s organizations, and tribal businesses with no more than 500 employees (or higher per SBA industry standards)
      ii. Applies to sole proprietors, independent contractors, and self-employed people
      iii. Business was operational on 2/15/20 and paid salary/payroll tax for employees
      iv. Good-faith assurances from borrower that: (1) loan is necessary due to COVID-19-related circumstances, (2) funds will keep workers and pay salary/lease/utilities, and (3) not receiving duplicate funds
      v. Borrowers can’t double dip for the same loan purposes between PPP & EIDL loans

2. **SBA Emergency Injury Disaster Loans (EIDL) & Grants** ($10 billion appropriated)
   a. **Significant Features:** SBA Direct Loans. Customers deal directly with SBA
      i. Applicants may request advance (grant) of $10,000 and SBA must advance funds up to 2 million for fixed debt, payroll, accounts payables and other bills
      ii. 3.75% for small business; 2.75% for non-profits, up to $2 million for fixed debt, payroll, accounts payables and other bills
   b. **Eligibility**
      i. Expands list of entities eligible for EIDL program to include tribal businesses, cooperates, and ESOPs with no more than 500 employees; sole proprietors and independent contractors; and private non-profits

3. **Other Grants and Funding Awards**
   a. SBA awards to Small Business Development Centers & Women’s Business Centers for COVID-19 counseling
   b. Minority Business Dev. Agency - $10 million for grants for COVID-19 counseling and education about SBA funding opportunities
   c. State Trade Expansion Program – Funds remain available through 2021

*This information is as of March 30, 2020 and details may change. Check program websites for latest updates.*