

The CARES Act - Ways for Businesses to Receive Cash Now (as of 4/10/20)

	Economic Injury Disaster Loans "EIDL"	Paycheck Protection Program "PPP"	Payroll Tax Deferral	Employee Retention Credit	Main Street Lending Program
FEATURES	<p>Low interest Federal loans up to \$2 million - 3.75% rate or 2.75% for non-profit organizations</p> <p>Proceeds can be used for principal debt payments and regular business expenses not earmarked for PPP proceeds during the 8 week period.</p> <p>Maximum maturity 30 years</p> <p>If business also has a PPP loan, EIDL advances cannot be used for PPP expenses during 8 week period or could jeopardize forgiveness</p>	<p>Non-recourse loans, 1 % interest, 2 year maturity</p> <p>Loan forgiveness possible, if proceeds are used for payroll, rent, utilities, mortgage interest</p> <p>Forgivable amount must be spent within 8 weeks of date of loan</p> <p>Maximum maturity 10 years</p> <p>Maximum loan amount = to 2.5 x average monthly payroll over prior 12 months or calendar 2019 (maximum \$10 million)</p>	<p>Defers due date of employer portion of payroll tax liability incurred from 3/27/20 to 12/31/20</p> <p>Available to business & sole proprietors</p> <p>No interest or penalties will be charged, no limits on amount</p>	<p>Cash payment equal to 50% of employee wages, up to \$10,000 per employee</p> <p>In the form of a refundable payroll tax credit</p> <p>For employers averaging 100 or fewer employees in 2019, all qualified wages are included</p> <p>For employers averaging more than 100 employees during 2019, there are restrictions on what is considered qualified wages</p>	<p>Loans are available at a minimum of \$1 million. See below for maximum **</p> <p>May upsize an existing loan that originated before 4/8/20. See below for further information ***</p>
ELIGIBILITY	<p>Must Qualify as a small business, under SBA guidelines, as modified by CARES Act</p> <p>Generally under 500 employees and not a prohibited business (i.e an investment fund)</p> <p>No need to demonstrate direct virus induced hardship</p>	<p>Less than 500 employees, or applicable size standard for industry (as provided by SBA)-additional below ^^</p> <p>OR are sole proprietors, self-employed individuals or independent contractors</p> <p>Must certify that loan is necessary because of economic uncertainty caused by COVID-19 and that monies will be applied to maintain payroll & make required payments</p>	<p>No requirement of direct adverse effect from COVID-19</p> <p>NOT available if PPP relief is obtained and coupled with debt forgiveness</p>	<p>Requires full or partial shutdown of the business or 50% reduction of gross receipts</p> <p>NOT available if small business loans are taken</p>	<p>Businesses must commit to making reasonable efforts to maintain payroll and retain workers</p> <p>Have up to 10,000 employees or up to \$2.5 billion in 2019 annual revenue</p> <p>Must be created/organized in US with significant operations & a majority of its employees based in US</p>
HOW TO APPLY	Application is made directly with the SBA via electronic application online	Loan applications are made to approved SBA lenders	No application required. The amounts are reflected on quarterly 941 filings	No application required. The amounts are reflected on quarterly 941 filings	
PAYMENT DEFERRAL & OTHER		Not less than 6 months or more than 1 year - Borrower/Lender fees waived, prepayment fees waived	50% of deferred tax liability becomes due 12/31/21, remaining 50% becomes due 12/31/22		One year

** New loans, maximum amount is equal to the lesser of:

- A) \$25 million and
- B) an amount that, when added to the applicant's existing outstanding and committed but undrawn debt, does not exceed four times 2019 EBITDA

*** For upsizing existing loans, origination before 4/8/20, the maximum amount is equal to the lesser of:

- 1) \$150 million;
- 2) 30 % of the applicant's existing outstanding and committed but undrawn bank debt and
- 3) an amount that, when added to the applicant's existing and committed but undrawn debt, does not exceed six times 2019 EBITDA

^^ Small businesses with less than \$5 mil. in average net income & less than \$15 mil in tangible net worth can also qualify (not limited to 500 employee requirement)