

## **Cares Act Update** **Current as of April 1, 2020**

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### **Loans available to small businesses through the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act**

#### **Paycheck Protection Program**

Any eligible U.S. small business—defined as those with fewer than 500 employees and including self-employed individuals, sole proprietorships, and independent contractors—private non-profit or veterans organization may apply to receive up to \$10 million in low-interest, no-fee loans through the Paycheck Protection Program. They cover payroll costs, salaries, mortgages, rents, and utilities. All such organizations in the United States, Washington, D.C., and territories are eligible.

The program has authorized any SBA 7(a) lender, federally insured financial institutions, and other regulated lenders to provide these loans. The program is available only through June 30, 2020.

Lenders are authorized to forgive portions of the loans if the employer can maintain employee and salary levels.<sup>1</sup>

#### **Economic Injury Disaster Loans and Loan Advance**

This program supports any eligible U.S. small business that is losing revenue due to COVID-19. The business can apply for a loan advance of up to \$10,000, and the program will provide them with working capital loans of up to \$2 million. If the SBA approves the business's application, the business will receive the funds within three days.<sup>2</sup>

#### **SBA Debt Relief**

The SBA will pay the principal and interest on current 7(a) loans for a period of six months as well as on new 7(a) loans issued before September 27, 2020.<sup>3</sup>

#### **SBA Express Bridge Loans**

Through the Express Bridge Loan pilot program, small businesses may receive up to \$25,000 if they have an existing business relationship with an SBA Express Lender. The loan is intended to help businesses cover for loss of revenue while they wait for a potential Economic Injury Disaster Loan.<sup>4</sup>

If you have any questions, please contact us 215.860.3322

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<sup>1</sup> More details about the loan can be found at the SBA's website: <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>. Find lenders for all of these programs here: <https://www.sba.gov/funding-programs/loans>.

<sup>2</sup> Apply for a loan here: <https://covid19relief.sba.gov/#/>.

<sup>3</sup> U.S. Small Business Administration, <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

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