

# The CARES Act

## TWO NEW DISASTER RELIEF OPTIONS

Coronavirus (COVID-19) has had a significant impact on many businesses. As a result, State and Federal initiatives, including the CARES Act, have been setup to assist business owners with the challenges caused by this crisis. Below is a brief summary of the two newest initiatives. A comprehensive list of available resources is included on page two.

### SBA Debt Relief Program

### Paycheck Protection Program

#### PROGRAM DETAILS

Under the CARES Act, this program will provide immediate relief to small businesses with non-disaster SBA loans in good standing, in particular 7(a), 504, and microloans.

SBA will cover all loan payments, including principal, interest, and fees, for six months.

The six months of debt relief is not a loan or a deferment. The payments will be forgiven.

The Paycheck Protection Program (PPP) is a special 100% guaranteed 7(a) loan program that will provide cash-flow assistance to employers who maintain their payroll during this emergency.

SBA approved banks will administer the program. Contact your local lender for more details and to see if they will be participating.

Funds can be used for payroll costs, including salaries and wages, benefits, state and local taxes, mortgage interest, rent and utilities, etc.

Forgiveness may be available for up to 8 weeks of payroll based on employee retention and salary levels.

#### HOW TO APPLY

This is automatic, banks/borrowers do not have to apply.

For 504 loans, the debt relief only applies to the 504-portion of the financing. The first mortgage loan is through a bank, so borrowers should contact their lender if they need assistance with the first mortgage.

For 7(a), the bank will need to take appropriate steps, which SBA will share guidance on.

**Keep in mind, the six months of debt relief is not a deferment, the debt will be forgiven.**

Eligible lenders may begin processing Paycheck Protection Program loan applications as soon as April 3, 2020.

SBA has set up a website dedicated to the Paycheck Protection Program and we encourage small business borrowers to read through all the information they've provided:

[SBA Paycheck Protection Program](#)

The Treasury Department has also released some fact sheets as well:

- [Lender Fact Sheet](#)
- [Small Business Borrower Fact Sheet](#)

#### *How can Growth Corp help me?*

If you have a 504 loan with Growth Corp the Small Business Debt Relief program will automatically cover all loan payments for six months, including principal, interest and fees. For some, it might also be beneficial to refinance using Growth Corp's 504 Loan Program. This could allow access to existing equity while also locking in a low, long-term, fixed interest rate.



# Disaster Relief Options

A SUMMARY OF FEDERAL AND STATE DISASTER RELIEF



FEDERAL		
<b>Economic Injury Disaster Loans (EIDL)</b>	<a href="#">Economic Injury Disaster Loan (EIDL)</a> <ul style="list-style-type: none"> <li>Apply directly to SBA</li> </ul>	<p>A direct loan from SBA. Uses: payroll, fixed debts, accounts payable, other expenses that can't be paid because of the disaster's impact</p> <ul style="list-style-type: none"> <li><a href="#">5 step application</a></li> </ul>
<b>CARES Act</b>	<a href="#">Emergency Economic Injury Grant</a> <ul style="list-style-type: none"> <li>Apply through the EIDL program</li> </ul>	<p>\$10,000 advance on an approved EIDL loan. If a request for an EIDL is denied, the \$10,000 advance does not have to be repaid.</p>
	<a href="#">Paycheck Protection Program (PPP)</a> <ul style="list-style-type: none"> <li>Apply through an SBA approved lender (bank)</li> <li>April 3, 2020 - small businesses and sole proprietors can begin applying</li> <li>April 10, 2020 - independent contractors and self-employed individuals can begin applying</li> </ul>	<p>A special 100% guaranteed 7(a) loan that will provide cash-flow assistance to employers who maintain their payroll during this emergency.</p> <p>Funds can be used for payroll costs, including salaries and wages, benefits, state and local taxes, mortgage interest, rent and utilities, etc.</p> <p>Forgiveness may be available for up to 8 weeks of payroll based on employee retention and salary levels</p> <p><b>EIDL funds and PPP funds cannot be used for the same purpose.</b></p>
	<p>SBA Debt Relief Program</p> <ul style="list-style-type: none"> <li>Automatic (no need to apply)</li> </ul>	<p>SBA 7(a), 504 and microloans receive 6 months payment relief for loans in good standing (regular servicing status).</p> <p>For the 504 portion only - contact your lender for questions about the first mortgage</p>
	<p>Small Business Tax Provisions</p> <ul style="list-style-type: none"> <li>Not provided to employers receiving assistance through the Paycheck Protection Program</li> </ul>	<p><b>Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship</b> - The provision provides a refundable payroll tax credit for 50% of wages paid by eligible employers to certain employees during this crisis.</p> <p><b>Delay of Payment of Employer Payroll Taxes</b> This provision allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments...one at the end of 2021 and one at the end of 2022.</p>
<b>Express Bridge Pilot Program</b>	<a href="#">Express Bridge Loan Pilot Program Guide</a> <ul style="list-style-type: none"> <li>Apply through an existing SBA Express Lender</li> </ul>	<p>Allows SBA Express Lenders authority to deliver expedited SBA-guaranteed financing on an emergency basis for disaster-related purposes.</p>
<b>Counseling and Training</b>	<a href="#">Find a Resource Partner</a>	<p>Counseling is free and training is low-cost. Mentorship through SBDC's and SCORE is always free.</p>
ILLINOIS		
<b>IL Small Business Loan Fund</b>	<a href="#">Illinois Small Business LOAN Fund</a>	<p>Low interest loans to small businesses with &lt; 50 employees for payroll, paid leave, healthcare benefits.</p>
<b>Downstate Small Business Stabilization Program</b>	<a href="#">Downstate Small Business Stabilization Program</a>	<p>Local governments make application to State</p>
<b>IL Small Business COVID-19 Relief Program</b>	<a href="#">The Business Invest - Illinois Small Business COVID-19 Relief Program</a>	<p>Low interest loans made to lenders who then lend the funds to small businesses</p>