

Coronavirus Pandemic Loan Programs

In response to the Coronavirus pandemic, the President signed H.R. 748, known as the Coronavirus Aid, Relief and Economic Security Act (CARES) on March 27, 2020. The Act includes a new **Paycheck Protection Program (PPP)** that seeks to provide short-term cash flow through federally guaranteed loans for small businesses impacted by COVID-19. These loans will be administered by banks through the SBA 7(a) loan program. (Please see separate BeachFleischman summary of the PPP Program.) The PPP loans are distinct from the SBA's **Economic Injury Disaster Loan (EIDL)** that are already available to small businesses.

Economic Injury Disaster Loan

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

Please be aware you will need to maintain documentation of the use of these funds. Any costs paid by these funds cannot be claimed under the PPP loan.

You can apply for this loan at <https://covid19relief.sba.gov/#/>

You will need to have available the following information in addition to the standard company information:

- Employer identification number (EIN)
- Gross revenues for the twelve months prior to the date of the disaster (January 31, 2020)
- Cost of goods sold for the twelve months prior to the date of the disaster (January 31, 2020)
- For residential commercial rental properties, lost rents due to the disaster
- Non-Profit cost of operations for the twelve months prior to the date of the disaster (January 31, 2020)
- Combined annual operating expenses for the twelve months prior to the date of the disaster (January 31, 2020) for all secular social services provided by faith-based entity
- Date business was established
- Date of current ownership
- Number of employees as of January 31, 2020

You will also need to have available the following individual owners' information in addition to the standard information:

- Ownership percentage
- Social security number
- Birth date
- Place of birth
- U.S. Citizen?

Company banking information for where to send funds:

- Bank name
- Account number
- Routing number

Once you have completed the information and submitted your application, you will receive a confirmation email with an application number. If the SBA approves your loan, they may request additional information before closing. If you need assistance gathering the necessary information, we can assist you on a consultative basis.

Under the CARES Act, funding for this program is limited. Our understanding is that applications will be processed on a first-come, first-served basis.

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