WEBINAR

CLEAR & CONCISE GUIDELINES FOR PPP LOAN FORGIVENESS

Presented by WBENC Regional Partner Organizations

Tuesday, June 30 | 12 - 1:15 PM EST

WBENC WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL

Disclaimer: The information is current as of 6/30/2020.
Introductions

HELLO
MY NAME IS

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PPP: A Quick Snapshot

- Main Driver of Small Business Stimulus.
- Stabilizing and assisting the American economy by keeping American workers paid and employed.
- Helping small businesses meet short-term, ongoing expenses including payroll and other costs.
**PPP: High Level Overview**

- Provide operating funds to small businesses across the U.S. (CARES Act)
- Now totals $659 billion in total appropriations (original $349 billion plus additional $310 billion)
- Permitted uses are payroll and other limited purposes
- Up to $10 million per borrower
- Unsecured loans, no personal guarantees
- Loans forgiven when use for eligible purposes
PPP restrictions contributed to dampened demand

After a rush to replenish the program with $310 billion in additional funding, the second funding round began April 27. More than a month into round two, there’s more than $130 billion still left unallocated for small businesses.

Should I Apply?

Potential Audits
Changing rules and fear of potential audits in the future

Enhanced Unemployment Benefits
Make it difficult for businesses to lure workers back to the job

Forgiveness Concerns
Concerns around the restrictive 75/25 formula and complex rules
Liquidity vs. Solvency

Cash and Debt in good times and bad.

• How do you think about maintaining liquidity over the next 12-24 months while the economy gradually re-opens?

• PPP / EIDL – is it right for me?
  • Even if uncertain about the loan being forgiven, if you are solvent, it might be optimal to take out a disaster loan to bridge the liquidity crisis.
Paycheck Protection Program Flexibility Act

After hearing concerns from small business owners across the country about the restrictions of the PPP, lawmakers passed a bipartisan bill called the Paycheck Protection Program Flexibility Act of 2020 (signed into law on June 5th 2020) to make the PPP easier to use and get forgiven.

• How the new PPP law will benefit most small businesses seeking loan forgiveness:
  1. Relaxed payroll requirements
  2. Forgiveness period extension
  3. Enhanced rehiring exemptions
  4. Payroll tax deferral
  5. Repayment deferral
  6. Program extension
I. Relaxed Payroll Requirements

• Previously, you needed to spend 75% of your PPP loan on payroll, and the remaining 25% on rent, utilities, and mortgage interest in order to get 100% your loan forgiven. This was known as the 75/25 rule. This has been relaxed under the PPP Flexibility Act.

• The new 60/40 rule means that in order to get 100% your loan forgiven you now need to spend only 60% of the loan on payroll, and the remaining 40% on the other eligible expenses (which remain defined as mortgage interest, rent, and utilities).

If 60% is not met on payroll, partial forgiveness will be allowed.
1. Partial Forgiveness

Received a PPP Loan for $100,000

Used 55% ($55,000) on Payroll

Used 40% ($40,000) on other eligible expenses

PPP Loan amount eligible for forgiveness is: $55,000 + $40,000 = $95,000

The remaining balance amount of $5,000 is now a term loan at 1% interest, with a maturity of 2yrs / 5yrs depending on when you received your loan.
2. Forgiveness Period Extension

- You now have a longer period of time to spend your PPP funds. The covered period has been extended from 8 weeks to 24 weeks.
- December 31, 2020 is the final cutoff date for eligible expenses.
- The extension applies to all loans, but those with existing loans can still choose to go with the original 8-week period, and apply for forgiveness sooner.
2. **24 weeks of coverage**

Your “loan forgiveness covered period” is the 24-week period beginning on the date your PPP loan is disbursed; however, if your PPP loan was made before June 5, 2020, you may elect to have your loan forgiveness covered period be the eight-week period beginning on the date your PPP loan was disbursed if you so choose.

Clarifying incurred costs during the coverage period:

- If you incur costs during the covered period, but bills are due outside the 24-week covered period, can you claim these expenses on your forgiveness application

- Yes.
  - As long as you pay it in the next regular billing date, any of those eligible expenses can be claimed for forgiveness, prorated to the end of the covered period.
3. Enhanced Rehiring Exemptions

- The deadline that employers have to rehire employees that were laid off between February 15 and April 26, or restore employee wages that were reduced between February 15 and April 26, is extended from June 30 to December 31, 2020.

- If an employer is unable to rehire a worker, they may qualify for a new exemption if they are able to show they were unable to fill the position with similarly qualified employees due to COVID-19 safety requirements.
3. Rehiring Exemptions

What happens if I want to hire back all my employees, but some reject the offer?

Short answer: that’s okay – it won’t affect your forgiveness levels.

• But you have to meet the following qualifications:
  • You must have made a written offer to rehire in good faith (either through email or a physical offer on paper)
  • You must have offered to rehire for the same salary/wage and number of hours as before they were laid off
  • You must have documentation of the employee’s rejection of the offer (email proof is sufficient)

• You can also qualify for an exemption if either of these conditions apply to one of your employees:
  • They were fired for cause
  • They voluntarily resigned

Employees who reject offers for re-employment may no longer be eligible for continued unemployment benefits. Generally, unemployment agencies require you to regularly check in with them on your job application status. If you report that you rejected a “suitable” job offer while on unemployment benefits, your benefits may be taken away.
3. FTE Reduction Safe Harbors

Two separate safe harbors exempt certain borrowers from any loan forgiveness reduction based on a reduction in FTE employee levels:

1. Rehiring Safe Harbor Expanded
   - The Borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described if the Borrower, in good faith, is able to document that it was unable to operate at the same level of business activity as before February 15, 2020, because of compliance with guidance issued (by HHS, CDC or OSHA) related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.

2. Safe Harbor Date to Rehire Employees and Restore Wages Extended
   - The Borrower is also exempt if they use the 24-week period to restore their workforce levels and wages to the pre-pandemic levels required for full forgiveness. This must be done by Dec. 31, a change from the previous deadline of June 30.
3. Defining FTE

The U.S. Treasury defines a FTE (full-time equivalent) as any employee who works 40 hours per week or more.

- One condition to getting your Paycheck Protection Program loan 100% forgiven is proving that you maintained the same number of FTEs (full-time equivalents) during the 24-week PPP period as before COVID-19.

- Your FTE figure will not necessarily be the same as the number of actual people you had on payroll, especially if you had turnover and part-time employees.

- Self-employed individuals with no payroll do not need to worry about calculating FTE. Self-employment PPP loan is based on 2019 net profit, not payroll numbers.
3. Calculating FTE

Highlighted here are two methods to calculate FTEs. You may use either method but it must be used consistently.

**METHOD 1:**

- Each employee that worked on average 40 or more hours a week, during the calculation period = 1 FTE.
  - One employee cannot be greater than one FTE – overtime does not apply.
- And, if you had 3 part-time employees who worked on average 20 hours a week = 1.5 FTEs.
  - \((20 \times 3) \div 40 = 1.5\) (round up to the nearest tenth)

**METHOD 2:**

- The SBA alternatively allows you to use a simpler calculation as well:
  - Any employee that works more than 40 or more hours a week = 1 FTE
  - 0.5 FTE for all other employees
3. Forgiveness Rules for Headcount Reduction

Maintaining previous employee headcount and salary levels is easier said than done, since lots of businesses have complicated employee situations. This is most common question we’ve heard around PPP and employee rehiring.

EXAMPLE:
You have three full-time employees and they each made $3,000 per month, meaning your PPP loan amount was $22,500 (3000 x 3 x 2.5). You had to lay them off in March due to COVID-19.

STEPS TAKEN DUE TO COVID-19
If you only hire back two out of the three employees, your workforce is 67% (two thirds) of your original headcount.

QUALIFY FOR REHIRING EXEMPTION
You now spend $36,000 over 24 weeks on payroll for your two employees which is more than your PPP loan amount and you can claim the full $22,500 of your PPP loan for forgiveness.

DO NOT QUALIFY FOR REHIRING EXEMPTION
You still spend $36,000 over 24 weeks on payroll for your two employees. When it comes to calculating your forgivable amount, because your workforce is smaller, your forgivable amount will be multiplied by 67%. You would be able to have $15,075 forgiven.
3. Forgiveness Rules for Salary Reduction

- **Example:**
  - You have three employees and they each made $3,000 per month.
  - That means your PPP loan amount was $22,500 (3000 x 3 x 2.5).
  - You had to lay them off in March due to COVID-19.
  - You **hire back all three** of your employees at a reduced wage level
    - You now only pay them $2,000 a month.
    - Over the 24 weeks of the PPP period, you spend $36,000 on your three employees ($3,000 x 3 employees x 6 months).

- **What is your forgiveness amount?**
  - When it comes to calculating your forgivable amount, you have to look at each employee’s individual compensation.
  - The 75% minimum salary level to be maintained is $2,250 ($3,000 x 0.75)
  - So you’re paying each person $250 less than the 75% threshold each month ($2,250 - $2,000)
  - This difference is scaled up to a 24-week period, ($250 x 6), so $1,500 would be deducted from the forgivable amount for each employee
  - Repeating that for each employee would result in a total of $18,000 forgiven ($22,500 - $4,500)
4. Payroll Tax Deferral

- If a borrower received forgiveness, payroll taxes would have been immediately due.
  - The PPP Flexibility Act removes this responsibility.
  - Employer payroll taxes will remain deferred until December 31, 2020.
4. Payroll Tax Deferral Expanded

- Every quarter, you must pay Social Security taxes for the employees you have on payroll.

- Each payment has two parts:
  - The amount that is withheld from employees
  - The amount that you as an employer have to pay.

- Under the CARES Act, you are able to defer strictly the employer portion of these taxes.
  - For self-employed individuals not running payroll, this will apply to self-employment taxes.

- However, the CARES Act originally specified that this deferral option ends when an employer obtains PPP Loan forgiveness.

- The Flexibility Act modified the CARES Act to provide employers the option to continue deferring these taxes, regardless of whether the employer individual obtains PPP Loan forgiveness. This modification also applies to self-employed individual who are eligible to defer their self-employment taxes.
  - 50% of the deferred amount being payable by December 31, 2021, and the balance due by December 31, 2022.
5. Repayment deferral

- The 6-month deferral on repayments has been removed.
- You do not need to repay the PPP until your forgiveness application has been processed and completed.
- You have up to 10 months after the end of your covered period to apply for forgiveness.

After that time, payments will be required.
6. Program Extension

- All new PPP loans approved on or after June 5th will have their loan maturities extended from 2 years to 5 years.

- Interest remains at an annual rate of 1% for all loans.

- Existing loans can have their term extended to 5 years, if the borrower and lender agree to it.

*The PPP application deadline was not extended. You have until today, June 30th, to submit an application for a new PPP loan.*
SBA Lender Match

Connect more easily with community-focused lenders

• Still looking for capital for your small business? Want to find a smaller community-focused lender to help?

• SBA relaunched and revamped its LenderMatch tool to help you do just that.

https://www.sba.gov/funding-programs/loans/lender-match

• Whether you’re looking for a Paycheck Protection Program loan or another traditional SBA-backed loan, complete a short LenderMatch intake form and interested community-focused lenders will contact you within two days.
PPP Forgiveness: Process

BORROWER: Apply for Forgiveness with your Lender

LENDER: Submit Forgiveness Decision to the SBA

SBA: Approval / Payment
PPP Forgiveness: Timeline

BORROWER: Apply for Forgiveness

- Borrower has up to 10 months after the end of the covered period (12/31/2020) to apply for forgiveness.
- Borrower completes and submits loan forgiveness application to lender.

LENDER: Submit Forgiveness Decision

- Lender has up to 60 days to submit forgiveness decision to the SBA.

SBA: Approval / Payment

- SBA has up to 90 days to remit forgiveness amount to the lender.
- Any amount of loan not forgiven must be repaid before the maturity date.
PPP Forgiveness: Expense Eligibility for Forgiveness

• PAYROLL:
  • Salary, wages, commissions, or tips (capped at $100,000 on an annualized basis for each employee);
  • Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
  • State and local taxes assessed on compensation; and
  • For a sole proprietor or independent contractor: wages, commissions, income, or net profit from self-employment, capped at $100,000 on an annualized basis.

• MORTGAGE INTEREST:
  • As long as the mortgage was signed before February 15, 2020

• RENT:
  • As long as the lease agreement was in effect before February 15, 2020

• UTILITIES:
  • As long as service began before February 15, 2020
Eligible Utilities for Forgiveness

The definition of “utilities” for the purpose of the PPP is more robust than what is considered a utility for your tax return.

The following are all considered forgivable utilities expenses for the PPP:

- Electricity
- Water bill
- Gas
- Sewage
- Telephone (cell phone and landline)
- Internet bill
- Transportation costs

What conditions must be met for a utility cost to be eligible for forgiveness?

- All agreements must have been in place prior to February 15th, 2020. Any agreements that began after February 15 would not be eligible for forgiveness.
Employee Compensation

The 24-week extension also increased the amount eligible for forgiveness to business owners with employees.

- The payroll costs including salary, wages and tips is still capped at $100,000 of annualized pay. But now instead of $100,000/52 x 8 (a max of $15,385 per individual), you get up to $100,000/52 x 24, making the new maximum forgiveness cap $46,154 per individual for 24 weeks.

- Keep in mind the payroll costs also include covered benefits for employees (but not owners), including health care expenses, retirement contributions, and state taxes imposed on employee payroll paid by the employer (such as unemployment insurance premiums).
Owner Compensation Replacement Calculations

Under the new rules for businesses that file Schedule C, Profit or Loss From Business, or Schedule F, Profit or Loss From Farming, tax returns:

• Eight weeks’ worth (8/52) of 2019 net profit (up to $15,385) for an 8-week covered period, or
• 2.5 months’ worth (2.5/12) of 2019 net profit (up to $20,833) for a 24-week covered period.
• This does exclude any qualified sick leave equivalent amount claimed under the Families First Coronavirus Response ACT (FFCRA).

So, in short, if you are choosing the 24-week covered period option, you will get full-loan forgiveness.
Documentation Required for Forgiveness

These are the required documents you will need to collect to provide with your PPP forgiveness application. Your lender may have additional requirements.

- Documents verifying that you met the staffing and pay requirements:
  - Payroll reports from your payroll provider
  - Payroll tax filings (Form 941)
  - Income, payroll, and unemployment insurance filings from your state
  - Documents verifying any retirement and health insurance contributions

- For eligible interest, rent, and utility payments:
  - Documents verifying they were active in February 2020
  - Documents verifying payments (payment receipts, account statements etc.)

- Sole proprietors:
  - You can have eight weeks of the loan forgiven automatically as a replacement for lost profit.
  - But you’ll need to provide documentation for the remaining two weeks worth of cash flow, proving you spent it on mortgage interest, rent, lease, and utility payments.

Good recordkeeping and bookkeeping will be critical for getting your loan forgiven.
Document Retention

How long should I keep my documents?

• You must retain your supporting documents for six years after the loan is fully forgiven or fully repaid.

• Take into consideration where you’ll think your business will be in 2026 or 2027!

• Make digital backup copies of important files for easier record keeping.
PPP Audits: What you need to know

Any business that receives a PPP loan may be audited.

- On April 28, the Treasury Secretary stated that any business receiving more than $2 million in PPP loans would be fully audited, and spot checks would be made for smaller loans.

- What are some things that the SBA may verify?
  - **Borrower eligibility**: was the borrower actually eligible for the PPP loan based on the rules and guidance available at the time of application?
  - **Loan amount and loan use**: did the borrower receive the correct amount they were eligible for, and did the borrower use the loan funds for allowed expenses?
  - **Loan forgiveness**: is the borrower eligible for forgiveness on the claimed amount?

*Your business/PPP loan could be audited at any point of the loan process: during the application, after getting approved, while applying for forgiveness, or after the loan is fully paid off or forgiven.*
EIDL advance deduction from forgiveness amount

The SBA has two loan programs to help small businesses impacted by COVID-19: Economic Injury Disaster Loans (EIDLs) and the Paycheck Protection Program (PPP). If your business is eligible, you can get both of these loans and use the funds at the same time, as long as you don’t use them for the same purpose.

• Using a PPP loan to refinance EIDL
  • If the EIDL was not used for payroll costs, it doesn’t have any impact on your PPP loan.
  • However, if you took out an EIDL before April 3, 2020, and used it for payroll expenses, you must refinance the EIDL by carrying over the EIDL balance into your PPP loan.

• PPP loan and EIDL advance
  • If you receive an EIDL advance and a PPP loan, proceeds from the advance will be deducted from the loan forgiveness amount.
FORGIVENESS APPLICATIONS
Ready to Apply for PPP Loan Forgiveness?

The SBA and Treasury have released new, more borrower-friendly PPP forms including:

1. A revised full forgiveness application

2. A new EZ version application
   - The new EZ version applies to borrowers that:
     - Are self-employed and have no employees; OR
     - Did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees; OR
     - Experienced reductions in business activity as a result of health directives related to COVID-19, and did not reduce the salaries or wages of their employees by more than 25%.
   - The EZ application requires fewer calculations and less documentation for eligible borrowers.
SBA Form 3508

This application has the following components:

1. PPP Loan Forgiveness Calculation Form;
2. PPP Schedule A;
3. PPP Schedule A Worksheet; and
4. Optional PPP Borrower Demographic Information Form.

All Borrowers must submit (1) and (2) to their Lender.

- Complete basic company information on the main Loan Forgiveness Calculation form
- Complete Schedule A Worksheet to see if you meet the headcount and pay requirements
- Complete Schedule A to find your payroll and compensation costs
- Complete the rest of the Loan Forgiveness Calculation Form to determine your total eligible costs and our forgiveness amount
SBA Form 3508EZ

This is a simple 3 page forgiveness application.

1. PPP Loan Forgiveness Application Form
2. Certifications
3. Optional PPP Borrower Demographic Information Form.
FORGIVENESS CHECKLIST
PPP Forgiveness Checklist

What does a borrower need to do to get 100% of your PPP loan forgiven?

Spend your PPP funds on the right things

Track and prove your spending
Checklist: Spend PPP funds on payroll & eligible expenses

- Spend at least 60% of funds on payroll costs
  - Salary, wages, commissions, or tips
  - Vacation pay
  - Parental and family leave
  - Employer medical or other group benefits
  - Sick leave
  - Employer retirement benefits
  - State and local taxes assessed on compensation
  - Bonuses, commissions or hazard pay

- Spend at least 40% of funds on other eligible expenses
  - Mortgage Interest
  - Rent
  - Utilities

Note: If you are self-employed you do not need to spend 60% of the loan on payroll. Instead, eight weeks worth of your 2019 net profit can be automatically be forgiven, being treated as a replacement for profit. But for the remainder of the funds, you will need to follow the checklist in this guide.
Checklist: Track your expenses & maintain your books

- Record the PPP deposit as a loan on your books
- Over the next 24 weeks, record all financial transactions
  - Record the expense amount
  - Record the vendor / payee
  - Record the category of the expense (Payroll, Utilities, Rent etc.)
  - Record the date of the transaction
  - Record the purpose of the transaction
  - Store the receipt, bill or any related official record
- At the end of your covered period, add up the total amount spent on forgivable categories
- Apply for forgiveness through your lender using the Forgiveness Application form
- Adjust the forgiven amount out of the loan section of your ledger, into “Non-Taxable Gains”
- If you didn’t get full forgiveness of the loan, any remaining amounts will stay in the “Loan” category on your books
### Independent Contractor or Sole Proprietor without payroll

<table>
<thead>
<tr>
<th>What will be forgiven</th>
<th>Supporting documents</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 8 weeks of owner compensation replacement.</td>
<td>• 2019 1099 Schedule C, to verify your owner compensation replacement.</td>
<td>• At least 60% of your loan must be used for owner compensation replacement in order to be eligible for 100% forgiveness, else the forgiveness amount will be reduced proportionally.</td>
</tr>
<tr>
<td>• Rent, Utilities, and Mortgage Interest <em>if</em> they are eligible to be deducted on a business tax return.</td>
<td>• Your rental/lease agreement or mortgage statements.</td>
<td>• Rent/Utilities must have had contracts in place prior to Feb 15, 2020 in order to be eligible.</td>
</tr>
<tr>
<td></td>
<td>• Utilities statements.</td>
<td>• You cannot exceed 8 weeks of owner compensation replacement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Meaning you cannot use the entire loan to pay yourself.</td>
</tr>
</tbody>
</table>
# Independent Contractor or Sole Proprietor with payroll

<table>
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<td>• At least 60% of your loan must be used for payroll expense, and you need to maintain a FTE headcount and employee compensation, or decrease it by no more than 25% in order to be eligible for 100% forgiveness, else the forgiveness amount will be reduced proportionally.</td>
</tr>
<tr>
<td>• Payroll expenses includes tips and commission, vacation or sick pay, employer health insurance/retirement benefits, and state and local employer taxes.</td>
<td>• Payroll reports relating to the 24 weeks of payroll.</td>
<td>• Rent/Utilities must have had contracts in place prior to Feb 15, 2020 in order to be eligible.</td>
</tr>
<tr>
<td>• Rent, Utilities, and Mortgage Interest <em>if</em> they are eligible to be deducted on a business tax return.</td>
<td>• Any additional documentation verifying retirement contributions or health insurance.</td>
<td></td>
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<td></td>
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## A Partnership

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<tbody>
<tr>
<td>• 2019 net earnings from self-employment, minus claimed section 179 expense deduction, unreimbursed partnership expenses, all multiplied by 0.9235</td>
<td>• 2019 Schedule K-1, to verify your self-employment net earnings</td>
<td>• At least 60% of your loan must be used for payroll expense, and you need to maintain a FTE headcount and employee compensation, or decrease it by no more than 25% in order to be eligible for 100% forgiveness, else the forgiveness amount will be reduced proportionally.</td>
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</tr>
<tr>
<td>• If applicable, payroll expenses incurred or paid over 24 weeks, includes tips and commission, vacation or sick pay, employer health insurance/retirement benefits, state and local employer taxes</td>
<td>• Any additional documentation verifying retirement contributions or health insurance</td>
<td></td>
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<tr>
<td></td>
<td>• Utilities statements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Payroll reports relating to the 24 weeks of payroll, if applicable</td>
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</tbody>
</table>
## A Corporation or Not-for-Profit with payroll

<table>
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<th>Requirements</th>
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<tr>
<td>• Payroll expenses incurred or paid over 24 weeks includes tips and commission, vacation or sick pay, health insurance, retirement benefits, and state and local employer taxes</td>
<td>• Payroll reports relating to the 24 weeks of payroll</td>
<td>• At least 60% of your loan must be used for payroll expense, and you need to maintain a FTE headcount and employee compensation, or decrease it by no more than 25% in order to be eligible for 100% forgiveness, else the forgiveness amount will be reduced proportionally.</td>
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- Rent/Utilities must have had contracts in place prior to Feb 15, 2020 in order to be eligible.
OTHER FINANCIAL ASSISTANCE
The Economic Injury Disaster Loan program is now accepting new applications

https://covid19relief.sba.gov/

- It is a really simple application process
- This is a working capital loan (up to $2 million)
- Interest rate at 3.75% for small businesses and 2.75% for private nonprofits
- Terms up to 30 years
- EIDL Advance – Rapid economic relief
  - Advance on EIDL up to $10,000 based on number of employees
  - Grant disbursed with days of submitted application

SBA Disaster Customer Service Center
(800) 659-2955
disastercustomerservice@sba.gov
IL & CA: Small Business Owners Affected by Civil Unrest Now Eligible for Disaster Assistance Loans

Available only for damages and losses due to the civil unrest that began May 26, 2020, and not for COVID-19 related losses. Interest rates can be as low as 3% for businesses, and 2.75% for private nonprofit organizations with terms up to 30 years. Loan amounts and terms are set by SBA and are based on each applicant’s financial condition.

Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Nonprofits, Homeowners, and Renters

Current Declared Disasters

Current declared disasters are shown below. Select a state and then a county and click the Filter button to limit the displayed disasters. For Presidential and SBA Agency declared disasters, click on the Incident to view more information about the declaration.

<table>
<thead>
<tr>
<th>State</th>
<th>Incident</th>
<th>Incident Period</th>
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</thead>
<tbody>
<tr>
<td>California</td>
<td>Civil Unrest</td>
<td>5/26/2020 and continuing</td>
</tr>
<tr>
<td>Illinois</td>
<td>Civil Unrest</td>
<td>5/26/2020 through 6/8/2020</td>
</tr>
</tbody>
</table>
Other Financial Assistance

- SBA Debt Relief
  - 6 months of principal, interest and SBA fees covered for SBA guaranteed loans
  - Covers current loans and those issued prior to 9/27/2020
  - SBA works with lenders directly to implement

- Express Bridge Loan Program
  - Up to $25K with streamlined documentation
  - Must have existing relationship with SBA Express Lender
  - Term Loan up to 7 years

- SBA 7a / 504 loans
  - 7a – working capital and fixed asset financing
  - 504 – property and capital equipment
Questions?