

SBA Coronavirus Relief Options

The Small Business Administration currently has 4 programs in place to assist small businesses (less than 500 employees) cope with the economic impacts that the Covid-19 virus has dealt to almost all of us.

For the best and latest updates on each of the programs, we recommend that you visit the link below to get a comprehensive listing of those programs as well as all of the eligibility requirements and links to application forms that will be needed to present to either your local financial institutions who are making some of the loans or directly back to the SBA, depending on what program you are participating in.

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

The four programs that are currently available include the Paycheck Protection Act, the Economic Injury Disaster Loan (EIDL) emergency advance program, the SBA Express Bridge Loans and SBA Debt relief.

A brief summary of each of these programs is listed below, but the American Loggers Council advises is to check with either your local financial institution or certified public account for financial advice on how to make application and what program might best fit your business needs.

Several of these programs have caps set through legislation that will be serviced on a first come – first served basis, so if you are considering accepting relief, then you should take action as soon as possible.

Paycheck Protection Program:

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act or the Act) (P.L. 116-136) to provide emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. The Small Business Administration (SBA) received funding and authority through the Act to modify existing loan programs and establish a new loan program to assist small businesses nationwide adversely impacted by the COVID-19 emergency. Section 1102 of the Act temporarily permits SBA to guarantee 100 percent of 7(a) loans under a new program titled the “Paycheck Protection Program.” Section 1106 of the Act provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program.

The intent of the Act is that SBA provide relief to America’s small businesses expeditiously. This intent, along with the dramatic decrease in economic activity nationwide, provides good cause for SBA to dispense with the 30-day delayed effective date provided in the Administrative Procedure Act. Specifically, small businesses need to be informed on how to apply for a loan and the terms of the loan under section 1102 of the Act as soon as possible because the last day to apply for and receive a loan is June 30, 2020. The immediate effective date of this interim final rule will benefit small businesses so that they can immediately apply for the loan with a full understanding of loan terms and conditions. This interim final rule is effective without advance notice and public comment because section 1114 of the Act authorizes SBA to issue regulations to implement Title 1 of the Act without regard to notice requirements.

Program Requirement (as defined in 13 CFR 120.10).

2. What Do Borrowers Need to Know and Do?

a. **Am I eligible?** You are eligible for a PPP loan if you have 500 or fewer employees whose principal place of residence is in the United States, or are a business that operates in a certain industry and meet the applicable SBA employee-based size standards for that industry, and:

i. You are:

A. A small business concern as defined in section 3 of the Small Business Act (15 USC 632), and subject to SBA's affiliation rules under 13 CFR 121.301(f) unless specifically waived in the Act;

B. A tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code (IRC), a tax-exempt veterans organization described in section 501(c)(19) of the IRC, Tribal business concern described in section 31(b)(2)(C) of the Small Business Act, or any other business; and

ii. You were in operation on February 15, 2020 and either had employees for whom you paid salaries and payroll taxes or paid independent contractors, as reported on a Form 1099-MISC. You are also eligible for a PPP loan if you are an individual who operates under a sole proprietorship or as an independent contractor or eligible self-employed individual, you were in operation on February 15, 2020.

For an online application please visit:

https://www.sba.gov/sites/default/files/2020-04/PPP%20Lender%20Application%20Form_0.pdf

Economic Injury Disaster Loan (EIDL)

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. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available following a successful application. This loan advance will not have to be repaid.

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.

The Economic Injury Disaster Loan advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid.

To apply for a COVID-19 Economic Injury Disaster Loan and loan advance, [click here](#).

<https://covid19relief.sba.gov/#/>

SBA Bridge Loans

SBA Express Bridge Loans enable small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct [SBA Economic Injury Disaster loan](#). If a small business has an urgent need for cash while waiting for decision and disbursement on an Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan**.

Terms

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan
- For COVID-19 Emergency Declaration loans, Lenders may obtain SBA loan numbers for EBL loans through March 13, 2021.
- For EBL loans made under the COVID-19 Emergency Declaration, the Lender must document in the credit memorandum that the EBL applicant had an operating business as of March 13, 2020 and that the applicant has demonstrated that it has been adversely impacted by the COVID-19 emergency.
- For the COVID-19 Emergency Declaration, Lenders must certify in the credit memorandum that the EBL loan proceeds will be used by the borrower to support the survival and/or reopening of the small business. This certification must be included with any guaranty purchase request to SBA.
- For the COVID-19 Emergency Declaration, EBL loan proceeds must be disbursed as working capital.
- Because an EBL loan is limited to \$25,000, a Lender may charge up to 6.5% over the Prime rate, regardless of the maturity of the loan.
- The SBA Express collateral policy applies to EBL loans. Because the maximum amount of an EBL loan is \$25,000, Lenders are not required to take collateral for EBL loans.

SBA Debt Relief

As part of SBA's debt relief efforts,

- The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.