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# BUSINESS WEBINAR SERIES



## COVID-19: Small Business Resources Webinar



**C. E. "TEE"  
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President & CEO  
America's SBDC



**TOM  
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Vice President  
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U.S. Chamber of Commerce

Moderated by Stephanie Cegielski, Vice President of Public Relations, ICSC



# U.S. Chamber of Commerce

Tom Sullivan  
Vice President  
Small Business Policy

# The Federal CARES Act

## Federal Stimulus Actions to Help Small Business Weather the Coronavirus Pandemic



**MAJOR PROVISIONS | IMPLEMENTATION | RESOURCES**

**Tom Sullivan**

**Vice President**

**Small Business Policy  
U.S. Chamber of Commerce**



**U.S. Chamber of Commerce  
Small Business Policy**



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# THREE LAWS IN THREE WEEKS – WASHINGTON’S QUICK ACTION

- **Coronavirus Preparedness and Response Supplemental Appropriations Act (March 6, 2020)**
- **Families First Coronavirus Response Act (March 18, 2020)**
- **Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (March 27, 2020)**



# MAJOR PROVISIONS FOR EMPLOYERS

## All Employers

- Tax Changes
- Employee Retention Credit

## Larger Employers

- Loans, Loan Guarantees, Federal Reserve Credit Facilities

## Small Businesses, Self-Employed, Independent Contractors, & Non-Profits

- Paycheck Protection Program
- SBA Economic Injury Disaster Loans (EIDL)



# SMALL BUSINESSES, SELF-EMPLOYED, INDEPENDENT CONTRACTORS, NON-PROFITS

## SBA Economic Injury Disaster Loans

- SBA Disaster Loans with a 60-year history
- Small businesses & non-profits with fewer than 500 employees
- Self-employed & independent contractors
- Up to \$2 million working capital loan up to 30-year term
- 3.75 % rate with payments deferred up to 1 year
- Loans based on credit scores; no tax returns required
- \$10,000 emergency grant within 3 days that does not have to be repaid
- Interacts with Paycheck Protection Program
- Apply through SBA.gov
- Note: Small businesses that applied before March 30<sup>th</sup>, go to SBA.gov and Re-Apply for the \$10,000 Emergency Grant

The screenshot shows the SBA Disaster Loan Assistance application process. At the top right, it displays 'OMB Control #3247-0406' and 'Expiration Date: 09/30/2020'. The main heading is 'Disaster Loan Assistance' with the subtitle 'Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters'. Below this is the title 'COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION'. The process flow consists of five steps: 1. DISCLOSURES (document icon), 2. BUSINESS INFORMATION (building icon), 3. BUSINESS OWNERS INFORMATION (person icon), 4. ADDITIONAL INFORMATION (document icon), and 5. SUMMARY (checkbox icon). A horizontal line is drawn under the first four steps, and the fifth step, SUMMARY, is highlighted with a white background. Below the flowchart, the text 'STREAMLINED PROCESS REQUIREMENTS' is visible.



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# SMALL BUSINESSES, SELF-EMPLOYED, INDEPENDENT CONTRACTORS, NON-PROFITS

## Paycheck Protection Program

- \$349 Billion in loans for small business (generally less than 500 employees), 501(c)(3)s, self-employed, sole proprietors, and independent contractors
- Loans equal to the lesser of 2 ½ months of average payroll or \$10 million
- Loans by local and national lenders
- Minimal requirements (e.g. no collateral, no personal guarantee)
- Loans convert to grants equal to amount spent on payroll, rent, interest on mortgage, and utilities for the 8 weeks after origination
- Loan forgiveness is reduced proportionally if the employer reduces number of FTEs
- Loan forgiveness is reduced if employer reduces wages by more than 25%
- Employer can avoid reduction in forgiveness if they bring back employees and restore wages generally within 30 days and maintain through June 30



# SMALL BUSINESSES, SELF-EMPLOYED, INDEPENDENT CONTRACTORS, NON-PROFITS

## Paycheck Protection Program (PPP) BREAKING NEWS MARCH 31<sup>ST</sup>

- On Tuesday, March 31, 2020 the U.S. Department of Treasury released guidance for banks and borrowers
- Starting Friday, April 3<sup>rd</sup>, SBA 7(a) lenders can offer Paycheck Protection Program loans for small businesses
- Starting Friday, April 10<sup>th</sup>, SBA 7(a) lenders extend program to non-employer small businesses.
- Other lenders will be applying to SBA to participate. Ask your bank if they offer PPP loans.
- PPP loans have a 0.50% fixed rate and the loan is due in 2 years.



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# LEARN MORE ABOUT THE PAYCHECK PROTECTION PROGRAM

## KEEP UP TO DATE

[www.uschamber.com/co](http://www.uschamber.com/co)

Prepared by the **U.S. CHAMBER OF COMMERCE**

## CORONAVIRUS EMERGENCY LOANS Small Business Guide and Checklist



The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses.

Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

The administration soon will release more details including the list of lenders offering loans under the program. In the meantime, the U.S. Chamber of Commerce has issued this guide to help small businesses and self-employed individuals prepare to file for a loan.

Here are the questions you may be asking—  
and what you need to know.



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# Tom Sullivan

Vice President

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# America's Small Business Development Centers

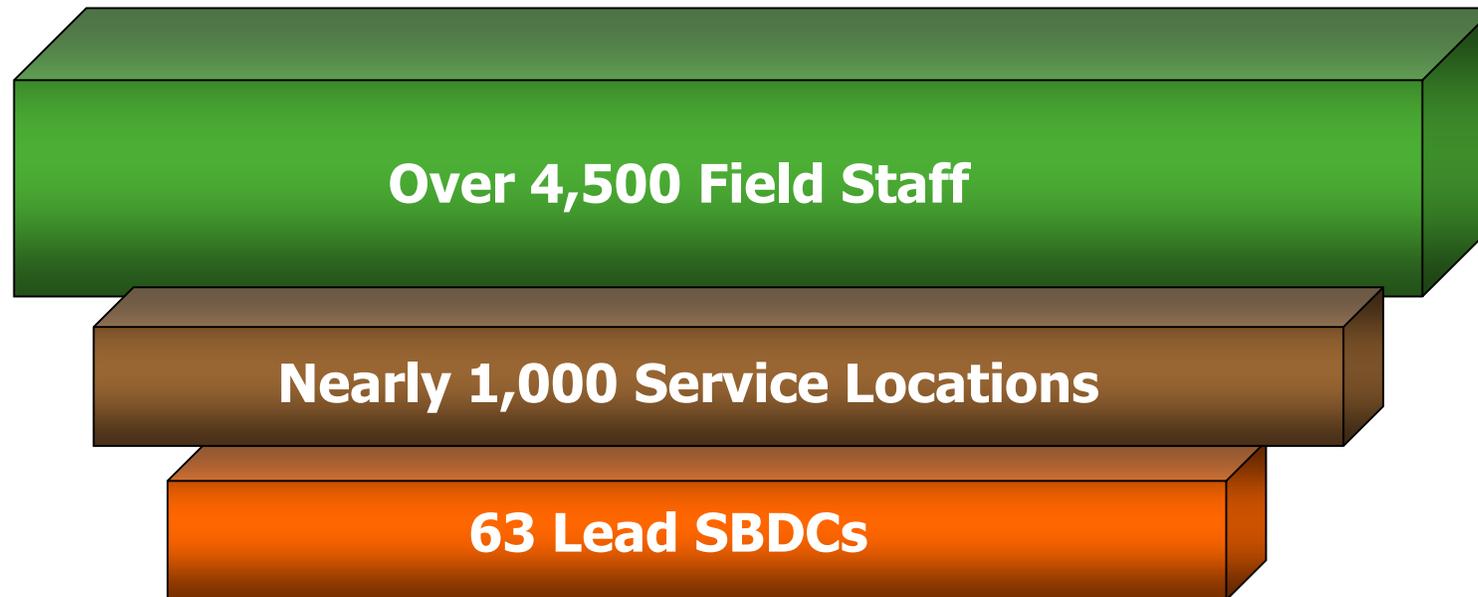
C.E. "Tee" Rowe  
President & CEO



**COVID-19 Resources**  
**America's Small Business**  
**Development Centers**



# SBDC Network Resources



# The Paycheck Protection Act

- **\$349 billion available thru banks**
- **Up to \$10 million**
- **0.50% interest over 2 years**
- **Forgiveness for 8 weeks of payroll, operating costs**
- **No collateral or personal guarantees**
- **Must be operational as of 2/15/20 w/ employees**
- **Program available thru June 30, 2020**

## PPP cont'd

- **Must have fewer than 500 employees**
- **May rehire any laid off employees**
- **Payments deferred for 6 months**
- **The PPP is specifically designed to help small businesses keep their workforce employed**



# PPP FAQs

- **Do I count 1099s?**
- **What about multiple locations?**
- **What if I applied for a disaster loan already?**



# Economic Injury Disaster Loan Program

- **Amounts up to \$2 million**
- **SBA direct loan, online application**
- **2-3 week turnaround**
- **3.75% rate for up to 30 years**
- **No collateral up to \$25,000**
- **No personal guarantee up to \$200,000**
- **Payment deferral for 1 year**

# Economic Injury Disaster Grants

- **Amount: Up to \$10,000**
- **Any business in operation since 1/1/20**
- **\$10 billion available**
- **Turn around - about 3 days**
- **Purposes – payroll, leave, rent, lease or other obligations**
- **Available regardless of whether underlying loan approved**



# Other Provisions

- **Other SBA loans**
  - Existing 7a and 504 loans
  - Borrowers relieved of obligation to pay interest and principal for 6 months



## Where to find SBDCs

- [www.americassbdc.org](http://www.americassbdc.org)
- Use the locator by state or zip code
- Nearly 1,000 locations – They're all around
- Still working remotely!
- **THANK YOU !**



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