



Coping with COVID-19 - Resources for Small Business

SBA.gov

April 22, 2020

Amy Kim, Area II Director, Office of Government Contracting, SBA

Coping with COVID-19

- Resources for Small Business

1. CARES Act: Paycheck Protection Program (PPP)
2. Economic Injury Disaster Loan (EIDL) Program
3. SBA Express Bridge Loans
4. CARES Act: Small Business Debt Relief
5. Federal Contractors Impacted by COVID-19

CARES Act: Paycheck Protection Program (PPP)

<https://www.sba.gov/ppp>

Eligible Entities

- Small businesses that meet SBA size standards (www.sba.gov/size);
- Non-profits including religious organizations, veterans' organizations, tribal concerns (500 employees or meet SBA size standards if greater than 500 employees);
- Self-employed individuals and independent contractors; and
- Accommodations and Food Services concerns (NAICS Code starting with 72) with more than one physical location are eligible if fewer than 500 employees per location

- Loan Amount: Up to \$10 million, reflecting two months of your average monthly payroll costs from the last year plus additional 25%
- Use of Funds: Payroll costs, including benefits; interest on mortgage, rent, and utilities
- Loan Forgiveness: Granted if 75% or more of loan amount is used to cover payroll expenses and staff levels are maintained
- Interest Rate: 1%
- Collateral: None required, no personal guarantee needed
- Maturity: 2 Years (1st payment deferred for 6 months)
- Processed through lenders. Apply through PPP participating lenders. For a list of current PPP lenders, search by zip code at <https://www.sba.gov/paycheckprotection/find>

Subject to Congressional appropriations

Economic Injury Disaster Loan Program (EIDL)

Eligible Entities

- Small businesses with fewer than 500 employees (Certain businesses may qualify under a greater size standard.);
- Sole proprietors/self-employed individuals and independent contractors;
- Non-profits, veterans' organizations, and tribal concerns

- Loan Amount: Up to \$2 million; up to \$10K received as an advance that will be forgiven entirely
- Use of Funds: Fixed debts, payroll, accounts payable and other bills
- Interest Rate: 3.75% for business and 2.75% for non-profits
- Repayment: 30 years (first payment due 12 months after loan issuance)
- Processed directly by SBA, not through third-party lenders
- Apply on the SBA website at <https://covid19relief.sba.gov>

Subject to Congressional appropriations

SBA Express Bridge Loans

- Allows small businesses that currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork
- Acceptable use: Short-term funding to bridge the gap while applying for an [Economic Injury Disaster Loan](#) or used as term loan
- Repayment in full or partially via the SBA Economic Injury Disaster Loan program

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

CARES Act: Small Business Debt Relief Program

- This program provides **immediate relief to small businesses with non-disaster SBA-backed loans, including 7(a), 504, and microloans**
- For the first six months, SBA will cover all loan payments on these loans including principal, interest, and fees, for six months
- This relief will also be available to new borrowers who take out loans by September 27, 2020

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

Federal Contractors Impacted by COVID-19

Unable to fulfill current Federal Contract?

Assess your situation
for potential
modifications

Review your
contract(s)
FAR Clause 52.249-14 OR
FAR Clause 52.212-4(f)

Subcontractor?
Review your
contract(s)

Contact Contracting Officer ASAP

Contact Prime

Maintain frequent communication

Additional Information: [Acquisition.gov/Coronavirus](https://www.acquisition.gov/Coronavirus)

Online Information

For small businesses impacted by the pandemic

[SBA.gov/Coronavirus](https://www.sba.gov/coronavirus)

For information on SBA's **Paycheck Protection Program**

[SBA.gov/PaycheckProtection](https://www.sba.gov/paycheckprotection)

For information on SBA's **Economic Injury Disaster Loans (EIDL)**

[SBA.gov/Disaster](https://www.sba.gov/disaster)

Current CDC business guidance on planning for and responding to the Coronavirus pandemic

[Coronavirus.gov](https://www.cdc.gov/coronavirus)

For Federal Contractors

[Acquisition.gov/Coronavirus](https://www.acquisition.gov/coronavirus)