LINES OF CREDIT

A business line of credit is a fixed amount of money, which can be accessed as needed to meet fluctuations in cash flow.

- Unlike a term loan, capital is available to withdraw as needed, instead of in a lump sum.
- A line of credit offers flexibility because interest is only paid on credit when it’s accessed.
- Secured and unsecured lines of credit are available from both banks and non-bank lenders.
<table>
<thead>
<tr>
<th>Paycheck Protection Program (PPP)</th>
<th>Economic Injury Disaster Loan (EIDL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Payroll Expenses</td>
<td>- Payroll</td>
</tr>
<tr>
<td>- Employee Salaries</td>
<td>- Fixed Debts</td>
</tr>
<tr>
<td>- Mortgage Interest</td>
<td>- Accounts Payable</td>
</tr>
<tr>
<td>- Rent and Utilities</td>
<td>- Other expenses that can’t be paid because of the disaster’s impact</td>
</tr>
<tr>
<td>- Interest on debt incurred before 2.15.20</td>
<td></td>
</tr>
<tr>
<td><strong>2.5X</strong> business’s average monthly payroll</td>
<td><strong>$2 million</strong> up to</td>
</tr>
<tr>
<td><strong>4%</strong> Annual Percentage Rate</td>
<td><strong>3.75%</strong> Annual Percentage Rate</td>
</tr>
<tr>
<td><strong>no payments for first 6-12 months</strong> then a 10-year term</td>
<td><strong>up to 30 years</strong></td>
</tr>
<tr>
<td><strong>up to 100% with approval</strong></td>
<td><strong>0% is eligible for forgiveness</strong></td>
</tr>
</tbody>
</table>
## SBA 7(a) Federal Paycheck Protection Program (PPP)

<table>
<thead>
<tr>
<th>Item</th>
<th>PPP</th>
<th>EIDL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td>Businesses, Non-Profits, Self-Employed &amp; Independent Contractors</td>
<td>Businesses, Sole-Proprietors, Non-Profits, Co-ops, &amp; ESOP’s</td>
</tr>
<tr>
<td><strong>Loan Terms</strong></td>
<td>10 years, Max 4% Interest Rate (if it might be lower) on the balance that is not forgiven.</td>
<td>30 years, 3.75% for Businesses &amp; 2.75% for Non-Profit</td>
</tr>
<tr>
<td><strong>Payout</strong></td>
<td>SBA Approved Lenders &amp; SBA</td>
<td>SBA Only</td>
</tr>
<tr>
<td><strong>Application Date</strong></td>
<td>June 30, 2020</td>
<td>September 30, 2020</td>
</tr>
<tr>
<td><strong>Deferral</strong></td>
<td>The first payment is deferred for a minimum of 6 months - maximum of 12 months. No pre-payment penalties.</td>
<td>The first payment is deferred for 12 months. No pre-payment penalties.</td>
</tr>
<tr>
<td><strong>Uses</strong></td>
<td>- Employee Salaries</td>
<td>- Payroll</td>
</tr>
<tr>
<td></td>
<td>- Payroll expenses</td>
<td>- Fixed Debts</td>
</tr>
<tr>
<td></td>
<td>- Retirement Contributions</td>
<td>- Accounts Payable</td>
</tr>
<tr>
<td></td>
<td>- Mortgage/Rent</td>
<td>- Any other expense that cannot be paid due to the disaster</td>
</tr>
<tr>
<td></td>
<td>- Interest on debt incurred prior to February 15, 2020</td>
<td>- Working Capital</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Put this in for the purposes of securing the grant, if you don’t get it, you still can qualify for the PPP loan. Example discussion.</td>
</tr>
<tr>
<td><strong>Processing</strong></td>
<td>Not available yet! Easy processing and less paperwork and help from a lender</td>
<td>Updated – easier application! Hopefully faster processing time!</td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
<td>1. Business in operation as of February 15, 2020</td>
<td>1. Business in existence for a year or more</td>
</tr>
<tr>
<td></td>
<td>2. Business with less than 500 employees</td>
<td>2. Business with less than 500 employees</td>
</tr>
<tr>
<td></td>
<td>3. Experienced financial hardship (loss of sales/revenue)</td>
<td>3. Experienced financial hardship (loss of sales/revenue)</td>
</tr>
<tr>
<td><strong>Personal Guaranty</strong></td>
<td>No Personal Guarantee</td>
<td>Personal guarantee required above $200K</td>
</tr>
<tr>
<td><strong>Collateral</strong></td>
<td>No collateral</td>
<td>If your ask is greater than $25,000, I am hearing that they are being lenient about the amount.</td>
</tr>
<tr>
<td><strong>Emergency Grant</strong></td>
<td>Not Available</td>
<td>- $10,000 available within 3 days</td>
</tr>
<tr>
<td><strong>Loan amount</strong></td>
<td>Maximum is the average of &quot;monthly payroll cost of last 12 months&quot; x 2.5 or $10 million cap</td>
<td>Determined by SBA, Varies by Industry Size (NAICS), Upto $2 million cap</td>
</tr>
<tr>
<td><strong>Loan Forgiveness</strong></td>
<td>Spend money during the first 8 weeks after issuance on. Payroll costs, salary, wages, health care insurance premiums, mortgage of rent on a building and/or property, retirement contributions, and covered leave, utilities (water, electricity, gas, phone &amp; internet). The remaining balance will convert to 10-year loan at 4% interest.</td>
<td>Loan forgiveness not available, $10,000 EIDL Advance to be deducted from the loan forgiveness in Section 7(A) Paycheck Protection Program loan. Emergency $10,000 grant available within 3 days</td>
</tr>
</tbody>
</table>

| If you already applied | N/A                                                                  | If you already applied in the old system, you need to go back to apply for the $10,000 EIDL Advance. You should have received an email from the SBA. |
SBA EIDL Loan - Available now at www.sba.gov/disaster

• Economic Injury Disaster Loan (EIDL) – Available Now – Apply online at www.sba.gov/disaster. Up to $2,000,000, 2.75% rate for non-profits, up to 30-year term.

• I am encouraging you to apply – you can do both the EIDL and the PPP Loan.
  • The application has been updated in the last 24 hours – it is much easier!
  • Organizations can apply for up to $25,000 unsecured, but there is some leniency.
  • You can apply for a $10,000 Advance on your request.
  • They cannot reset your password! Write it down!
COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA’s Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.
# ELIGIBLE ENTITY VERIFICATION

**Choose One:**

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at [https://www.sba.gov/size-standards](https://www.sba.gov/size-standards).
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at [https://www.sba.gov/size-standards](https://www.sba.gov/size-standards).
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

**Review and Check All of the Following:**

- Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

  - Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
  - No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
  - Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
  - Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
  - Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
  - Applicant is not in the business of lobbying.
  - Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at 1-800-659-2955 or (TTY: 1-800-877-8339) DisasterCustomerService@sba.gov.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Annual Operating Expenses for the Twelve (12) Months Prior to...</td>
<td></td>
</tr>
<tr>
<td>For Faith based organizations</td>
<td></td>
</tr>
<tr>
<td>List the Secular Social Services Provided by the Faith Based Entity</td>
<td></td>
</tr>
<tr>
<td>For Faith based organizations</td>
<td></td>
</tr>
<tr>
<td>Compensation From Other Sources Received as a Result of the Disaster</td>
<td></td>
</tr>
<tr>
<td>Have you received any other grants or loans for this</td>
<td></td>
</tr>
<tr>
<td>Provide Brief Description of Other Compensation Sources</td>
<td></td>
</tr>
<tr>
<td>Primary Business Address (Cannot be P.O. Box)</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>County</td>
<td></td>
</tr>
<tr>
<td>Business Email</td>
<td></td>
</tr>
<tr>
<td>Date Business Established</td>
<td></td>
</tr>
<tr>
<td>mm/dd/yyyy</td>
<td></td>
</tr>
<tr>
<td>Current Ownership Since</td>
<td></td>
</tr>
<tr>
<td>Look at your 990’s for this info</td>
<td></td>
</tr>
<tr>
<td>Business Activity</td>
<td></td>
</tr>
<tr>
<td>Detailed Business Activity</td>
<td></td>
</tr>
<tr>
<td>This is a dropdown</td>
<td></td>
</tr>
<tr>
<td>Number of Employees (As of January 31, 2020)</td>
<td></td>
</tr>
</tbody>
</table>
Business Owners Information

Is Your Business Owned by a Business Entity? *

Individual Owner/Agent(s)

Owner/Agent 1

First Name *

Last Name *

Mobile Phone *

Title / Office *

Ownership Percent *

100

Email *

Please enter a valid email.

SSN *

Please enter a valid SSN. Format must be XXX-XX-XXXX, all digits.

Birth Date *

mm/dd/yyyy

Place Of Birth *

U.S. Citizen *

Yes  No
In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?  
- Yes  
- No

Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?  
- Yes  
- No

- Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?  
  - Yes  
  - No
- Have you been arrested in the past six months for any criminal offense?  
  - Yes  
  - No
- For any criminal offense - other than a minor vehicle violation - have you ever been convicted, plead guilty, plead nolo contendere, been placed on pretrial diversion, or been placed on any form of parole or probation (including probation before judgment)?  
  - Yes  
  - No

If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must enter their information below.

Individual Name

Name of Company

Phone Number

Street Address, City, State, Zip

Fee Charged or Agreed Upon

I give permission for SBA to discuss any portion of this application with the representative listed above.  
- Yes  
- No

☐ I would like to be considered for an advance of up to $10,000.
Where to Send Funds

Bank Name *

Account Number *

Routing Number *

On behalf of the individual owners identified in this application and for the business applying for the loan:

I/We authorize my/our insurance company, bank, financial institution, or other creditors to release to SBA all records and information necessary to process this application and for the SBA to obtain credit information about the individuals completing this application.

If my/our loan is approved, additional information may be required prior to loan closing. I/We will be advised in writing what information will be required to obtain my/our loan funds. I/We hereby authorize the SBA to verify my/our past and present employment information and salary history as needed to process and service a disaster loan. I/We authorize SBA, as required by the Privacy Act, to release any information collected in connection with this application to Federal, state, local, tribal or nonprofit organizations (e.g. Red Cross Salvation Army, Mennonite Disaster Services, SBA Resource Partners) for the purpose of assisting me with my/our SBA application, evaluating eligibility for additional assistance, or notifying me of the availability of such assistance.

I/We will not exclude from participating in or deny the benefits of, or otherwise subject to discrimination under any program or activity for which I/we receive Federal financial assistance from SBA, any person on grounds of age, color, handicap, marital status, national origin, race, religion, or sex.

I/We will report to the SBA Office of the Inspector General, Washington, DC 20416, any Federal employee who offers, in return for compensation of any kind, to help get this loan approved. I/We have not paid anyone connected with the Federal government for help in getting this loan.

CERTIFICATION AS TO TRUTHFUL INFORMATION: By signing this application, you certify that all information in your application and submitted with your application is true and correct to the best of your knowledge, and that you will submit truthful information in the future.

WARNING: Whoever wrongfully misapplies the proceeds of an SBA disaster loan shall be civilly liable to the Administrator in an amount equal to one-and-one-half times the original principal amount of the loan under 15 U.S.C. 636(b). In addition, any false statement or misrepresentation to SBA may result in criminal, civil or administrative sanctions including, but not limited to: 1) fines and imprisonment, or both, under 15 U.S.C. 645, 18 U.S.C. 1001, 18 U.S.C. 1014, 18 U.S.C. 1040, 18 U.S.C. 3571, and any other applicable laws; 2) treble damages and civil penalties under the False Claims Act, 31 U.S.C. 3729; 3) double damages and civil penalties under the Program Fraud Civil Remedies Act, 31 U.S.C. 3802; and 4) suspension and/or debarment from all Federal procurement and non-procurement transactions. Statutory fines may increase if amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

I hereby certify UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES that any proceeds of the Economic Injury Disaster Loan or grant will only be used to provide secular social services to the general public, and that I have the authority to make this certification, and that all of the foregoing is true and correct.

Click for additional statements required by laws and executive orders

Back Next
CARES ACT Loans – **NOT** Available at this time
• The Senate Small Business Committee on Wednesday night released an overview of the small business provisions included in the CARES ACT (S. 3548) as well as one pager synopsis - link above.

• **The Keeping American Workers Paid and Employed Act** would provide $377 billion to help prevent workers from losing their jobs and small businesses from closing due to economic losses due to COVID-19.

• The Paycheck Protection Program would provide 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency.

• If the employer maintains its payroll, then the portion of the loan used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven, which would help workers to remain employed and affected small businesses and our economy to recover quickly from this crisis.

• This proposal would be retroactive to February 15, 2020 to help bring workers who may have already been laid off back onto payrolls.
Paycheck Protection Program to support loans for: Small employers with less than 500 employees and certain nonprofits, including 501(c)(3) organizations and 501(c)(19) veteran and tribal organizations.

- Covered payroll costs include salary, wages, and payment of cash tips, employee group health care benefits, including insurance premiums; retirement contributions; and covered leave.

- The cost of participation in the program would be reduced for both borrowers and lenders by providing fee waivers, an automatic deferment of payments for one year, and no prepayment penalties.

- Loans would be available immediately through existing SBA-certified lenders, including banks and credit unions, and SBA would be required to streamline the process to bring additional lenders into the program.

- The maximum loan amount for SBA Express loans would be increased from $350,000 to $1 million. Express loans provide borrowers with revolving lines of credit for working capital purposes.
FAQ’s

Where can I apply for a Paycheck Projection Loan?
• At any lending institution that is approved to participate in the program through the existing U.S. Small Business Administration (SBA) 7(a) lending program and additional lenders approved by the Department of Treasury. This could be the bank you already use, or a nearby bank. You can call your bank or find SBA-approved lenders in your area through SBA’s online Lender Match tool.

Who is eligible for the loan?
• If you are a small business that employs 500 employees or fewer
• In addition, if you are a restaurant, hotel, or a business that falls within the North American Industry Classification System (NAICS) code 72, “Accommodation and Food Services,” and each of your locations has 500 employees or fewer, you are eligible.
• Tribal businesses, 501(c)(19) veteran organizations, and 501(c)(3) nonprofits, including religious organizations, will be eligible for the program. Nonprofit organizations are subject to SBA’s affiliation standards. Independently owned franchises with under 500 employees, who are approved by SBA, are also eligible.
• Eligible franchises can be found through SBA’s Franchise Directory.

I am an independent contractor or gig economy worker, am I eligible?
• Yes. Sole proprietors, independent contractors, gig economy workers, and self-employed individuals are all eligible for the Paycheck Protection Program.
FAQ’s

What is the maximum amount I can borrow?
• The amount any small business is eligible to borrow is 250 percent of their average monthly payroll expenses, up to a total of $10 million. This amount is intended to cover 8 weeks of payroll expenses and any additional amounts for making payments towards debt obligations. This 8 week period may be applied to any time frame between February 15, 2020 and June 30, 2020. Seasonal business expenses will be measured using a 12-week period beginning February 15, 2019, or March 1, 2019, whichever the seasonal employer chooses.

How can I use the money such that the loan will be forgiven?
• The amount of principal that may be forgiven is equal to the sum of expenses for payroll, and existing interest payments on mortgages, rent payments, leases, and utility service agreements. Payroll costs include employee salaries (up to an annual rate of pay of $100,000), hourly wages and cash tips, paid sick or medical leave, and group health insurance premiums. If you would like to use the Paycheck Protection Program for other business-related expenses, like inventory, you can, but that portion of the loan will not be forgiven.

When is the loan forgiven?
• The loan is forgiven at the end of the 8-week period after you take out the loan. Borrowers will work with lenders to verify covered expenses and the proper amount of forgiveness.

What is the covered period of the loan?
• The covered period during which expenses can be forgiven extends from February 15, 2020 to June 30, 2020. Borrowers can choose which 8 weeks they want to count towards the covered period, which can start as early as February 15, 2020.
FAQ’s

How much of my loan will be forgiven?
• The purpose of the Paycheck Protection Program is to help you retain your employees, at their current base pay.
• If you keep all of your employees, the entirety of the loan will be forgiven. If you still lay off employees, the forgiveness will be reduced by the percent decrease in the number of employees. If your total payroll expenses on workers making less than $100,000 annually decreases by more than 25 percent, loan forgiveness will be reduced by the same amount.
• If you have already laid off some employees, you can still be forgiven for the full amount of your payroll cost if you rehire your employees by June 30, 2020.

Am I responsible for interest on the forgiven loan amount?
• No, if the full principal of the PPP loan is forgiven, the borrower is not responsible for the interest accrued in the 8-week covered period. The remainder of the loan that is not forgiven will operate according to the loan terms agreed upon by you and the lender.

What are the interest rate and terms for the loan amount that is not forgiven?
• The terms of the loan not forgiven may differ on a case-by-case basis.
• However, the maximum terms of the loan feature a 10-year term with interest capped at 4 percent and a 100 percent loan guarantee by the SBA.
• You will not have to pay any fees on the loan, and collateral requirements and personal guarantees are waived.
• Loan payments will be deferred for at least six months and up to one year starting at the origination of the loan.

When is the application deadline for the Paycheck Protection Program?
• Applicants are eligible to apply for the PPP loan until June 30th, 2020.
FAQ’s

I took out a bridge loan through my state, am I eligible to apply for the Paycheck Protection Program?
• Yes, you can take out a state bridge loan and are still be eligible for the PPP loan.

If I have applied for, or received an Economic Injury Disaster Loan (EIDL) related to COVID-19 before the Paycheck Protection Program became available, will I be able to refinance into a PPP loan?
• Yes. If you received an EIDL loan related to COVID-19 between January 31, 2020 and the date at which the PPP becomes available, you would be able to refinance the EIDL into the PPP for loan forgiveness purposes.
• However, you may not take out an EIDL and a PPP for the same purposes. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness terms for a PPP loan, would remain a loan.
• If you took advantage of an emergency EIDL grant award of up to $10,000, that amount would be subtracted from the amount forgiven under PPP.