

Federal Stimulus Programs Available for North County Businesses* 3/31/2020

Paycheck Protection Program

The [Paycheck Protection Program](#) prioritizes millions of Americans employed by small businesses (fewer than 500 employees) by authorizing up to \$349 billion toward job retention and certain other expenses. Small businesses and eligible nonprofit organizations, Veterans organizations, and Tribal businesses, as well as individuals who are self-employed or are independent contractors, are eligible if they meet program size standards.

The loans are available until June 30, 2020 for eligible companies to cover the cost of:

- Payroll
- Health care benefits and related insurance premiums
- Employee compensation (with some limitations for employees with salaries over \$100,000 and exclusions for employees based outside the U.S.)
- Mortgage interest obligations (but not principal)
- Rent and utilities
- Interest on debt incurred prior to the loan

Under this program:

- Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll plus an additional 25% of that amount.
- Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.

Businesses can learn more about the program [here](#).

Economic Injury Disaster Loans and Loan Advance (EIDL)

The SBA's Economic Injury Disaster Loan program provides small businesses (fewer than 500 employees) with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

In addition, 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.

No personal guarantee is required for EIDLs under \$200,000, and the loan can be made solely upon the applicant's credit score. Initial advances of up to \$10,000 can be issued within three days and need not be repaid. The loan will bear a low rate of interest; however, unlike PPP 7(a) loans, the act does not provide for forgiveness for EIDLs.

Businesses may receive both PPP loans and EIDLs, so long as both loans are not used for the same purpose or otherwise duplicative.

Businesses can currently apply for these programs through the following link, [click here](#).

SBA Debt Relief

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

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

Details to follow.

SBA Express Bridge Loans

[Express Bridge Loan Pilot Program](#) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue and can be a term loan 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 a 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

Businesses can find an Express Bridge Loan Lender by connecting with their [local SBA District Office](#).

* These appear to be the most relevant programs for North County Businesses, however there may be other programs that relate to other parts of the federal government such as the USDA, the Treasury and the IRS or other agencies and these will be identified and applied where appropriate. The specific guidance and procedures for many of these programs are still under development and in implementation. Program details and eligibility may change.