Live Q&A—Coronavirus stimulus programs and your business.

Julie Hyman: Yahoo Finance anchor and host of On The Move with Adam Shapiro

John M. Blackstock: Deputy District Director, Small Business Association of NJ
Agenda

1. Introduction – Verizon
2. Opening Remarks – Julie Hyman
3. Steps to take now – John Blackstock
4. Q&A
5. Closing comments
SMALL BUSINESS PAYCHECK PROTECTION PROGRAM
What is the Paycheck Protection Program?
• A loan offered through participating lenders
• Find a lender at www.sba.gov/paycheckprotection/find
• Designed to provide a direct incentive for small businesses to keep their workers on their payroll

What can the funds be used for?
• Pay up to 8 weeks of payroll costs, including benefits.
• Funds can also be used to pay interest on mortgages, rent, and utilities

When can small businesses and sole proprietors apply?
• Today! Independent contractors and self-employed individuals can apply beginning April 10
PPP Loan Terms

• Maximum loan amount is $10 million
• Interest rate is 1%
• First payment deferred for 6 months
• Loan maturity is 2 years
• No collateral requirements
• No personal guarantees required
• No borrower or lender fees payable to SBA
• Program available through June 30, 2020
How will the PPP Loan be forgiven?

- Fully forgiven when at least 75% of the funds are used for payroll
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels

Who is eligible to apply for the PPP?

- Small businesses with 500* or fewer employees
- Non-profits, veterans’ organizations, and faith-based organizations
- Sole proprietorships
- Self-employed persons
- Independent contractors
Borrower will owe money when loan is due if:

- Borrower uses loan amount for anything other than payroll costs, mortgage interest, rent, and utility payments over the 8 weeks after receiving the loan
- Borrower uses less than 75% of loan amount for payroll costs
- Borrower maintains staff and payroll at less than Feb. 15, 2020 levels

To qualify for loan forgiveness:

- Full-time employee headcount must be maintained
- Salaries and wages must be maintained
- Borrower has until June 30, 2020 to restore full-time employment and salary levels from any changes made between Feb. 15 and April 26
What counts as payroll costs?

• Salary, wages, commissions, or tips
• Employee benefits including costs for:
  - Vacation, parental, family, medical, or sick leave
• Allowance for separation or dismissal
• Payments required for the provision of group health care benefits including insurance premiums
• Payment of any retirement benefit

What counts as payroll costs for sole props & independent contractors?

• Wages, commissions, income, or net earnings from self-employment
ECONOMIC INJURY DISASTER LOANS FOR CORONAVIRUS-RELATED ECONOMIC DISRUPTIONS
What businesses are eligible to apply?
SBA’s Economic Injury Disaster Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations.

This includes:
• Businesses directly affected by the disaster
• Businesses that offer services directly related to the businesses in the declaration
• Other businesses indirectly related to the industry that are likely to be harmed by losses in their community (Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product.)
How much can I borrow?
Eligible entities may qualify for loans up to $2 million.

The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years.

Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources.

How can I use the loan funds?
These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion.
Basic Filing Requirements

• Completed SBA loan application (SBA Form 5 or SBA Form 5C for sole proprietorships.)
• Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates.
• Complete copies of the most recent Federal Income Tax Return.
• Schedule of Liabilities (SBA Form 2202).
• Personal Financial Statement (SBA Form 413).

Other Information may also be requested.

*Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate.
How to Apply

• Applicants may apply online using the Electronic Loan Application (ELA) via SBA’s secure website at https://disasterloan.sba.gov/ela.

• Paper loan applications can be downloaded from www.sba.gov/disaster. Completed applications should be mailed to:
  U.S. Small Business Administration
  Processing and Disbursement Center
  14925 Kingsport Road
  Fort Worth, TX 76155

• Disaster loan information and application forms may also be obtained by calling the SBA’s Customer Service Center at 800-659-2955 (800-877-8339 for the deaf and hard-of-hearing) or by sending an email to disastercustomerservice@sba.gov.
Any Questions?

For more information concerning SBA and its programs visit our website at:

www.sba.gov/disaster