



Dear Rio Dell/Scotia Chamber of Commerce Member:

The stimulus bill contains the Paycheck Protection Act, designed to help small business stay open and meet payrolls. Specifically, it provides the following:

Small Business Administration (SBA) 7(a) program (Paycheck Protection Program)-

- Guarantees 100% of loans through December 31, 2020.
- \$349 billion total.
- Applies to small businesses, 501(c)(3) nonprofits, 501(c)(19) veteran's organizations, Tribal business concerns described in section 31(b)(2)(C) of the Small Business Act with not more than 500 employees, or the applicable size standard for the industry as provided by SBA, if higher.
- Formula for loan sizes is provided by which the loan amount is tied to payroll costs incurred by the business.
- Maximum loan amount is \$10 million.
- Requires eligible borrowers to make a good faith certification that the loan is necessary due to the uncertainty of current economic conditions, and that they will use the funds to retain workers and maintain payroll, lease, and utility payments.
- Allows complete deferment of loan payments for at least six months and not more than a year
- Borrowers shall be eligible for loan forgiveness equal to the amount spent during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020.
- Amount forgiven may not exceed the principal amount of the loan. Eligible payroll costs do not include compensation above \$100,000 in wages.
- Any loan amounts not forgiven at the end of one year is carried forward as an ongoing loan with terms of a maximum of 10 years, at maximum 4% interest. The 100% loan guarantee remains intact.

Emergency Economic Injury Disaster Loan Program Expansion-

- The Economic Injury Disaster Loan program provides small businesses 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.
- \$10 billion total.
- The stimulus bill expands eligibility for access to Economic Injury Disaster Loans (EIDL) to include tribal businesses, cooperatives, and Employee Stock Option Plans with fewer than 500 employees or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020). Private non-profits are also eligible.
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- For any SBA EIDL loans made in response to COVID-19 before December 31, 2020, no personal guarantee on advances and loans below \$200,000 will be required, or will an applicant have to have been in business for the 1-year period before the disaster.
- During the covered period, allows SBA to approve and offer EIDL loans based solely on an applicant's credit score.
- Allows an eligible entity who has applied for an EIDL loan due to COVID-19 to request an advance on that loan of not more than \$10,000, which the SBA must distribute within 3 days if eligible for an EIDL loan. Applicants shall not be required to repay advance payments, even if subsequently denied for an EIDL loan.
- Authority expires December 30, 2020.

These new provisions will go into effect upon enactment of the bill. For more information on these and other SBA resources for small businesses, and on how to connect with a lender, visit: <https://www.sba.gov/funding-programs/loans>.

The stimulus bill also contains the following provisions to assist individuals:

- Direct payments to individuals-
 - \$1200 for single filers who made less than \$75,000 in the 2018 tax year (2019 if filed).
 - \$2400 for married households filing jointly and made less than \$150,000.
 - \$500 for each dependent child.
 - The total amounts paid decline by \$5 for every \$100 in annual income above set levels.
 - Unemployment-
 - Increases state-level unemployment benefits by \$600 per week.
 - Extends state unemployment benefits by 13 weeks, to be paid by the federal government. Currently, state unemployment checks last up to between 12 weeks and 28 weeks, depending on the state. Most states provide up to half a year of benefits.
 - Creates a pandemic unemployment assistance program to provide jobless benefits to independent contractors and the self-employed who are unemployed, underemployed, or unable to work because of the virus. The benefits would mirror what's available in an individual's state.

For more information, please go to the Department of Labor's website at <https://oui.doleta.gov/unemploy/uifactsheet.asp>. To find contact information to your state's unemployment benefits office, go to <https://www.careeronestop.org/LocalHelp/UnemploymentBenefits/find-unemployment-benefits.aspx>