

Key Elements of the SBA Loan Programs

The program that potentially is the most beneficial is the Paycheck Protection Program. This program covers employers with less than 500 employees. It includes small businesses including sole proprietors and non-profit organizations. The loan program provides funding for businesses to cover employee wages, health insurance, rent, debt obligations, utilities and interest on other loans.

Here are a few of the key elements of this loan program:

- Businesses are eligible if they were harmed by COVID 19 between February 15th and June 30th, 2020.
- The maximum amount that can be borrowed is 250% of your average monthly payroll costs.
- The loan has a 10-year term with interest capped at 4%.
- Most significantly, it allows for some or all of the loan to be forgiven based on employee retention and payroll costs.

In order to apply for this loan or to determine eligibility you need to contact an SBA lender.

Most of the large banks participate in the SBA programs. The banks are still awaiting guidance from the SBA to be able to take applications. In the meantime you should contact your bank or an SBA participating lender so they can follow up with you when they do have information about the eligibility and application process.

Another significant program that is addressed is the Economic Injury Disaster Loan. That program allows you to apply on the SBA web site and is discussed in the Small Business Owner's Guide to the CARES Act.

If we can assist you in the application process, please let us know. We will provide additional information as it becomes available to us. This is a difficult and challenging time for everyone. We are glad to be able to help in any way we can.