

# HOW DOES THE CARES ACT AFFECT SMALL BUSINESSES?

*See Below For Frequently Asked Questions By Small Businesses That Have Been Impacted By The Coronavirus And Helpful Answers*

## **Is your small business struggling due to the recent coronavirus epidemic?**

- Your business may be eligible for a new Paycheck Protection Loan.
- This 4% interest rate loan is 100% guaranteed by the SBA.

## **Who is eligible?**

- Businesses and 501(c)(3)s with less than 500 employees.

## **Where can you get this loan?**

- Any existing SBA lenders and any lenders that are brought into the program through the Treasury.
- You should talk to your preferred financial lender to see if they qualify.

## **What can you use the loan amount for?**

- Payroll costs
- Group health care benefits
- Employee salaries
- Interest on any mortgage obligation
- Rent
- Utilities
- And any other debt obligations occurred before Feb. 15, 2020.

## **How much can you borrow?**

- The maximum amount is the lesser of \$10 million or 2.5 times the average monthly payroll based on last year's payroll.

## **How long will it take to receive the money?**

- The SBA has authorized lenders to process, close, and service loans without SBA approval, giving you the means to invest in your business immediately.

## **What if you can't pay it back?**

- First, all payment on principle, interest, and fees will be automatically deferred for six months.
- Second, for businesses that retain their staff up until June 30, 2020, this loan will be forgiven.

## **Can the entire loan be forgiven?**

- No, only the portion of the loan used to cover payroll costs, mortgage interest, rent, and utilities can be forgiven.
- In addition, only 8 weeks can be forgiven.
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