

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT: SMALL BUSINESS PROVISIONS

The CARES Act would provide \$377 billion to help prevent workers from losing their jobs and small businesses from closing their doors due to economic losses caused by the COVID-19 pandemic.

Paycheck Protection Program:

The bill provides 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency.

- If the employer maintains its payroll, then the portion of the loan used to cover payroll costs, interest on mortgage on obligations, rent, and utilities would be forgiven.
- The bill provides this support to small employers 500 employees or fewer, self-employed individuals and gig economy individuals, nonprofits and 501(c)(3) organizations and 50(c)(9) veteran organizations.
- Loans will be available immediately through more than 800 SBA-certified lenders, including banks, credit unions, and other financial institutions.
- The size of the loans will equal 250 percent of an employer's average monthly payroll. The maximum loan amount is \$10 million.

Small Business Debt Relief:

The bill would require the SBA to pay all principal, interest, and fees on all existing SBA loan products, including 7(a), Community Advantage, 504, and Microloan programs, for six months to provide relief to small businesses negatively affected.

Entrepreneurial Assistance:

The bill provides \$265 million for grants to SBA resource partners, including Small Business Development Centers and Women's Business Centers offering assistance those small businesses impacted by the coronavirus.

Emergency Economic Injury Disaster Loan Grants:

The bill expands eligibility for companies suffering economic harm due to COVID-19. The bill allows businesses to apply for EIDL expedited access to capital through emergency grants – an advance of 10,000 within 3 days to maintain payroll, provide paid sick leave, and service other debt obligations.

