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## THE SMALL BUSINESS OWNER'S GUIDE TO THE CARES ACT

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27th, 2020. The bill adds to the Small Business Administration's (SBA) existing authorities and creates two new programs to ease the burden for small business owners during the COVID-19 pandemic:

- **Paycheck Protection Program**
- **Emergency Economic Injury Disaster Loan (EIDL) Grants**

While detailed guidance is expected to be issued in the next few days, you can access basic information from the [SBA Coronavirus Resource Page](#). Initial information is available on the Paycheck Protection Program from [SBA](#) and the [Treasury Department](#). To keep up to date on program details, please stay in contact with your local SBA District Office, which you can locate [here](#).

### PAYCHECK PROTECTION PROGRAM

Provides cash-flow assistance through 100 percent federally-guaranteed loans to employers who maintain their payroll during this emergency.

- Small businesses and eligible nonprofit organizations, veterans organizations, and Tribal businesses described in the Small Business Act, as well as individuals who are self-employed or are independent contractors, are eligible if they also meet program size standards. Borrowers are eligible to have their loans forgiven if they retain employees or rehire quickly.
- There are special eligibility rules for businesses that fit into [NAICS code 72](#), Accommodation and Food Services.
- Neither a personal guarantee nor collateral is required. Requirements for borrowers to first seek credit elsewhere are waived.
- Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply.
- The Treasury Department is [encouraging](#) applicants to apply as quickly as possible because there is a funding cap.
- Preliminary information for borrowers can be viewed [here](#) and a sample application form can be downloaded [here](#).
- Borrowers can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You can view a list of SBA lenders [here](#).

### EMERGENCY EIDL GRANTS

Provide an emergency advance of up to \$10,000 within three days of applying for an SBA Economic Injury Disaster Loan. The grant does not need to be repaid, regardless of whether the applicant ultimately receives a loan. An EIDL is a low-interest, fixed rate loan that can provide up to \$2 million in assistance for small businesses that can be used to pay immediate expenses during an emergency.

- Private nonprofit organizations, small agricultural cooperatives, businesses; cooperatives; ESOPs; and Tribal business concerns with 500 or fewer employees, independent contractors, and sole proprietors (whether or not self-employed) that were in operation since January 31, 2020 are eligible.
- Borrowers can visit SBA's website and apply through the [portal](#).
- EIDL borrowers may apply for the Paycheck Protection Program, but when determining loan forgiveness, the EIDL grant is taken into consideration.
- A borrower cannot use an EIDL for the same purpose as a PPP loan.

