

# WHAT THE CARES ACT MEANS TO YOU

	<b>SBA PAYCHECK PROTECTION ACT</b>	<b>SMALL BUSINESS DISASTER RELIEF PROGRAM (EIDL)</b>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Small Businesses with 500 or less employees</li> <li>• Sole proprietors</li> <li>• Independent Contractors</li> <li>• Self-employed individuals</li> <li>• Nonprofit and veteran's organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Startups</li> <li>• Any individual operating as a sole proprietor or independent contractor</li> <li>• Cooperatives and ESOP's with fewer than 500 employees</li> </ul>
<b>Requirements</b>	Must certify business impact by COVID-19 and use of funds to retain workers, maintain payroll, and other debt obligations	Waives the requirement that a business be operational one year before the disaster
<b>Loan Max</b>	2.5 x average monthly payroll for the 12 months preceding the date the loan is made, up to a max of \$10M (Seasonal and new have different dates)	\$2M
<b>Personal Guarantee</b>	No personal guarantee or collateral required	No collateral required under \$25,000 Collateral required over \$25,000
<b>Government Guarantee</b>	100%	Per criteria
<b>Payment Deferment Allowed</b>	Min 6 months, Max 1 year	Currently 6 months
<b>Allowable Uses</b>	Payroll support such as employee salaries, paid sick or medical leave, insurance premiums, mortgage payments, or other debt	Advance payment of \$10,000 to cover payroll, paid sick leave, medical leave, insurance premiums or mortgage payments, or other debt obligations
<b>Payment Forgiveness</b>	Per SBA/Lender Criteria	Per SBA criteria
<b>How/where to apply</b>	Local lender	<a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>
<b>Loan term</b>	10 years	30 years
<b>Interest Rate</b>	4%, normal 7(a) fees are waived	3.75% for Profit, 2.75% Non Profit
<b>Does Not Include</b>	<ul style="list-style-type: none"> <li>• Compensation in excess of annual salary - 100k</li> <li>• Certain taxes imposed or withheld</li> <li>• Compensation of employees whose residence is outside the U.S.</li> <li>• Qualified sick leave wages under Section 7001</li> <li>• Qualified family leave wages under Section 7003</li> </ul>	<ul style="list-style-type: none"> <li>• Prior loans in effect with SBA</li> <li>• Debt prior to COVID-19</li> </ul>
<b>Credit Elsewhere</b>	No, SBA is waiving this	Yes, if credit can be found elsewhere, not eligible
<b>How long to apply</b>	Until June 30, 2020	Not yet determined, ongoing
<b>Can I apply for both</b>	Yes, but not for the same purpose	Yes, but not for the same purpose

Please note: This information was accurate on the day it was produced but is changing rapidly.  
Consult your accountant, lender or the ND SBDC before making decisions.

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