

A background image showing four business professionals in a meeting. A man in a dark sweater is leaning over a table, pointing at a laptop. A man in a light blue shirt is sitting at the table, looking at the laptop. A woman in a grey sweater is sitting at the table, looking at the laptop. A woman with curly hair in a light-colored top is sitting at the table, looking at the laptop. There are glasses of water and papers on the table.

COVID-19 Relief for Small Business



Economic Injury Disaster Loans

SBA's Economic Injury Disaster Loan Terms

How much can I borrow?

- Up to \$2 million
- Interest rates
- Small Businesses 3.75%
- Most Private, Non-Profits 2.75%
- Terms up to 30 years
- Eligibility based on the size, type of business and financial resources

How can I use the loan funds?

- Fixed debts (rent, etc.)
- Payroll
- Accounts payable
- Some bills that could have been paid had the disaster not occurred.

Eligible

Who Can Apply

- Small Businesses (under 500 employees)
- Sole Proprietors (under 500 employees)
- Cooperatives (under 500 employees)
- Employee Stock Ownership Plan (ESOP) (under 500 employees)
- Tribal small business (under 500 employees)

Ineligible

Who Cannot Apply

- Illegal activity (as defined by Federal guidelines)
- Principal with a 50 % + more than 60 days delinquent on child support
- Agricultural enterprise (e.g., farm) other than an aquaculture enterprise, agricultural cooperative, or nursery
- Is a state, local, or municipal government entity and cannot be a member of Congress

Primary Criteria for Approval

- Acceptable Credit History
- Ability to repay the SBA loan

Ineligible Uses of Loan

- Dividends and bonuses
- Disbursements to owners, unless for performance of services
- Repayment of stockholder/principal loans (with exceptions)
- Expansion of facilities or acquisition of fixed assets
- Repair or replacement of physical damages
- Refinancing long term debt
- Paying down/Making payments on another loan by Federal Agency/SBA
- CAN pay IRS obligations
- Relocation costs



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

ELIGIBLE ENTITY VERIFICATION

Choose One:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

Other Information Required

- Gross Revenues
- Cost of Goods Sold
- Lost Rents (for rental property owners)
- Cost of Operating Expenses (for nonprofits)
- Other reimbursement will receive (i.e. business interruption insurance)
- Number of employees
- Possible other business information

Likely Requested Forms

- SBA Loan Application (SBA Form 5 or 5C)
- Personal Financial Statement (SBA Form 413)
- Schedule of Liabilities (SBA Form 2202)
- Tax Information Authorization (IRS Form 4506T)

Up to \$10k Advance depending on # of employees

I would like to be considered for an advance of up to \$10,000.

Where to Send Funds

Bank Name *

Account Number *

Routing Number *

Advance funds will be made available within three days of a successful application. This loan advance will not have to be repaid.

General Info

- If more funds are needed, applicants can submit supporting documents and a request for an increase.
- If less funds are needed, applicants can request a reduction in the loan amount
- If the loan request is denied, the applicant will be given up to six months in which to provide new information and submit a written request for reconsideration
- For Phase I processing, only losses of six months or less are eligible for the more expedited type of loan processing



Paycheck Protection Program

The Details- PPP program

- The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits
- Funds can also be used to pay interest on mortgages, rent, and utilities
- Entire loan amount may be forgiven
- Up to \$10M -Starts April 3 -Available until June 30
- Must be a small business:
 - Veterans organizations
 - Sole proprietorships
 - Self-employed
 - Independent contractors

The Details- PPP program- Payroll Costs (75%)- 8wks

- Salary, wages, commissions, tips (capped at \$100K per employee)
- Employee benefits including costs for vacation, parental, family medical or sick leave
- State and local taxes assessed on compensation
- Most will use average monthly in 2019
- For Sole Proprietors: wages, commissions, income, or net earnings from self-employment
- Seasonal businesses: average monthly Payroll Costs between Feb 15 and Jun 30
- New Business: average monthly Payroll Costs from Jan 1 to Feb 29

The Details- PPP program- Other Expenses (25%)

8 weeks coverage for the following:

- Interest on mortgage obligations
- Rent under lease agreements
- Utilities

Lenders will Verify the following:

- Your business was in operation on February 15
- Your business had employees
- Verify average monthly payroll costs

NO COLLATERAL, NO PERSONAL GUARANTY, NO SBA FEES, NO AGENT FEES
- THERE ARE LENDER FEES

The Details- PPP program

FORGIVABLE- 3 CONDITIONS

- Loan proceeds covered approved costs
- Employee numbers maintained
- Compensation levels are maintained

HOW TO REQUEST LOAN FORGIVENESS

- Submit a written request to your lender.
- Request should include documents verifying:
 - Full Time equivalent employees
 - Employee pay rates,
 - Payments on eligible mortgage
 - Payments on lease
 - Payments on utilities
- Lender has 60 days to reply

The Details- PPP program

IF YOUR LOAN IS NOT FORGIVEN-

- 2-year repayment term
- 1% interest rate
- 6 months deferral
- Interest will accrue 6-month period
- No prepayment penalties

The Details- PPP program

INELIGIBLE IF:

- Business/owner suspended or debarred
- In Bankruptcy
- Defaulted on federal commitment (in last 7 years)
- Formal criminal charges
- Felony, misdemeanor, crime against a minor (in last 7 years):
 - Convicted
 - pleaded guilty
 - pleaded nolo contendere
 - placed on pretrial diversion
 - placed on any form of parole or probation

The Details- PPP program

HOW MUCH CAN I REQUEST?

- 2 Months of average payroll costs
- Plus 25%

- Example

2 Month (Average) Payroll Costs = \$8,000

Add 25% = \$2,000

Loan Amount = \$10,000

The Details- PPP program

Where do I get the forms?

- <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>
- <https://www.sba.gov/disaster/apply-for-disaster-loan/index.html>
- Or your SBA lender...



OUR SERVICES

✓ Small Business Creation

- SOS filings
- Operating Agreements
- Risk Management

✓ Estate Planning

- Business succession
- Probate avoidance
- Family and business protection

✓ Small Business Support

- Buy/Sell agreements
- Scaling/Growth Advising
- SBA Loan Guidance

✓ Contact Info:

- 614-475-7008
- 142 Granville Street, Gahanna, OH 43230
- Jen.Route@Routtelaw.com
- Chris.Alley@Routtelaw.com

✓ Real Estate

- FSBO
- Purchase/sale
- Multiple Property Investments
- Commercial Leases