

A background image of four business professionals (three men and one woman) in a meeting, looking at a laptop. The image is dimmed with a blue overlay.

COVID-19 SBA Programs Update

A background image showing two people in business attire shaking hands, overlaid with a dark teal color filter. The text is centered over this image.

Changes in SBA Economic Injury Disaster Loans

SBA's Economic Injury Disaster Loan Terms

How much can I borrow?

- Originally Up to \$2 million / now being capped at \$25,000
- Interest rates remain unchanged
- 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.

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

- \$1,000 per employee up to \$10,000- was originally up to \$10,000 based on need
- Total proceeds from program (advance + loan) is capped at \$25,000 due to demand.

How can I check on my loan status?

- SBA Assistant at
 - <https://disasterloanassistance.sba.gov/s/>
- If you mailed application, reapply.
- If you submitted app through old portal and no communication, reapply.
- Streamlined COVID-19 portal: covid19relief.sba.gov.

A background image showing two people in business attire shaking hands, overlaid with a dark teal color filter. The text is centered over the handshake.

Paycheck Protection Program UPDATE

Paycheck Protection Program UPDATE

As of today, April 14th:

- 1 Million + loans approved
- Thru 4,662 lenders
- \$242 billion and counting (\$350 billion available)
- 15 Million + small business jobs covered

PPP program- Update

- 75% towards payroll
- 25% “Other Eligible Costs”
 - Rent
 - Utilities
 - Interest only on mortgages
 - Interest on “any other debt obligations that were incurred before Feb 15”

PPP program- Update

- New Calculations for loan
 - Aggregate payroll costs from the past 12 months or calendar
 - Subtract cash compensation in excess of an annual salary of \$100k
 - Divide by 12 to get average monthly payroll costs
 - Multiply avg payroll costs by 2.5
 - If you applied for the EIDL from Jan 31 to Apr 3, you can transfer that to a PPP loan MINUS any Advance.

PPP program- Update

- Example-
 - Annual Payroll = \$120,000
 - Average Mo. Payroll = \$10,000
 - Multiply by 2.5 = \$25,000
 - Add EIDL loan of \$10,000 = \$35,000
 - Maximum Loan = \$35,000
- YOU CAN APPLY FOR BOTH PROGRAMS- BUT!
 - You cannot use funds from both for the same purpose.
 - Example: For Apr 15-Jun 15, you use PPP funds for payroll. If you have an EIDL loan to, you must use the EIDL funds for a different payroll period or for a different purpose.

Unemployment- 1099/Self Employed

Ohio:

- <http://jfs.ohio.gov/ouio/CoronavirusAndUI.stm>
- The CARES Act bonus for unemployment is expected to go out to Ohioans who are eligible by the end of next week. ODJFS, April 13th.
- Husted also said ODJFS and his office are still working to figure out a way to supply independently employed workers, or those who file a 1099 tax form, with benefits and relief during the COVID-19 epidemic. WCPO, April 13th.
- JFS says it doesn't know when the new system will be ready, only that it is working as fast as possible. Benefits will be awarded retroactively. Columbus Dispatch, April 12th.

Unemployment-1099/Self Employed

Question 13: Are self-employed individuals and contractors eligible for unemployment benefits?

Answer: The new federal Pandemic Unemployment Assistance (PUA) program will provide up to **39 weeks of benefits** to self-employed workers, 1099 tax filers, and some other individuals who previously were not eligible for unemployment benefits. **The benefit amount will be similar to traditional unemployment benefits, plus an additional \$600.** The program's effective date is Jan. 27 through Dec. 31.

This is a new program, which we look forward to implementing. Like other states, Ohio is waiting for further guidance from the U.S. Department of Labor on how to operationalize it. Once it is up and running, retroactive benefits will be provided. We will share more information as soon as we have it.



OUR SERVICES

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- Operating Agreements
- Risk Management

✓ Estate Planning

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- Probate avoidance
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✓ Small Business Support

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

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✓ Real Estate

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