

CARES Act Small Business Administration Loans

PAYCHECK PROTECTION PROGRAM

Provides eight weeks of cash-flow assistance through 100 percent federally guaranteed loans.

- A loan would equal 250 percent of an employer's average monthly payroll, and the loan could not exceed \$10 million.
 - The covered costs include payroll support (includes salaries, wages, paid sick and medical leave, insurance premiums), mortgage/rent, utilities, and other debt obligations.
 - If an entity is eligible for the program, lenders will issue a loan based solely on if a business was in operation on February 15, 2020, and if it paid salaries and payroll taxes.

Eligible entities for this program are:

1. Small business with 500 employees or fewer
2. Self-employed individual or "gig economy" individual
3. 501(c)(3) organization
4. 501(c)(19) veterans organization
5. Tribal business concerns with under 500 employees

Loan Forgiveness:

An entity will be eligible for total forgiveness if the company retains its employees and salary levels.

- Loan forgiveness cannot exceed the principal amount of the loan.
- Any reduction in employees or salaries and wages will result in a reduction in an eligible forgiveness amount.
- Amounts that are not forgiven after the 8 week period will be carried forward with term of a max of 10 years at a maximum of 4% interest.

EMERGENCY ECONOMIC INJURY GRANTS

Benefit: Provides an advance of \$10,000 to those businesses or nonprofits who apply for an SBA Economic Injury Disaster Loan (EIDL) within three days of application to maintain payroll, provide sick leave, and pay other debt obligations.

Eligibility:

An entity must have been in operation on January 31, 2020 and be a: small business, private nonprofit, sole proprietor or independent contractor, tribal business, cooperative, or employee-owned business

A loan application will be approved or denied solely based on an applicant's credit score or sufficient alternative method.

Repayment Terms:

Grant does **not need to be repaid**, even if the business is ultimately denied an EIDL.

Debt Relief for Existing SBA Borrowers:

Benefit: The SBA will cover all loan payments, including principal, interest and fees for six months for existing SBA borrowers who have standard SBA 7(a), 504, or micro loans.

- The SBA will also cover all loan payments for individuals who take out one of the standard loans within six months after the President signs the CARES Act into law.

How to Apply

- To apply for an EIDL, please visit <https://covid19relief.sba.gov/>
- Non-EIDL SBA loans are administered through qualified lenders in your community. To find a local lender to apply for the PPP program or any other SBA loan, visit their lender match tool found here: <https://www.sba.gov/funding-programs/loans/paycheck-protection-program>.
 - An individual may also contact a) their current business lender to see if they administer SBA loans or b) their local SBA office or Small Business Development Center (SBDC) to find an approved lender in their community.

Help Submitting an Application

To speak with an SBA office in West Virginia, a business has two offices to choose from:

- **Clarksburg** – 320 West Pike Street Suite 330, Clarksburg, WV; Phone: 304-623-5631
- **Charleston** – 405 Capitol Street Suite 412, Charleston, WV; Phone: 304-347-5220

West Virginia is home to three SBDC that can provide financial and other guidance to small businesses throughout the COVID-19 pandemic. Physical addresses and phone numbers are provided below:

- **Wheeling** – 1704 Market Street, Wheeling, WV; Phone: 304-214-8973
- **Charleston** – 1900 Kanawha Boulevard, East, Building 3, Suite 600; Charleston, WV; Phone: 304-558-2960
- **Morgantown** – 900 Chestnut Ridge Rd, Morgantown, WV; Phone: 304-293-5839