The CARES Act tasks the Small Business Administration with overseeing the distribution of millions of dollars in loans and grants to help small businesses survive the pandemic. It also provides additional funding for SBA’s Resource Partners to provide advice and training to help small businesses respond to the unprecedented challenges in communities throughout the country.

### Paycheck Protection Program

**What Is The Paycheck Protection Program (PPP)?**
A new $350 billion loan program at SBA for small businesses, self-employed, and gig workers to help them stay afloat during the COVID-19 pandemic. If employers maintain payroll, the loans would be forgiven.

**Who Is Eligible?**
- Any business concern, 501 (c) (3) organization, veteran’s Independent contractors
- Business; cooperatives; ESOPs; and tribal business
- Sole proprietors
- Private nonprofit organizations, small agricultural
- Self-employed individuals

**How Does The Process Work?**

All current 7(a) lenders are eligible lenders. Plus, the Department of Treasury will authorize new lenders to help expedite the processing and delivery of capital to small businesses.

**How Can I Apply?**

SBA’s Lender Match Portal. Interested borrowers are also encouraged to inquire with a local 7(a) lender regarding whether they are participating in the PPP.

**How Much?**

The maximum size of the loan is 250% of an employer’s average monthly payroll cost during the year preceding the loan, capped at $2 million.

**Why a PPP Loan?**
- Waives guarantees and annual fees to keep costs low
- Waives credit worthiness requirement, personal guarantees requirement, and collateral requirements to expedite the loan approval process
- Deferment of principal, interest, and fees for 6 months to give small businesses time to get through the crisis
- Forgives loans if employers maintain their payrolls (25% cap on non-payroll costs being counted towards forgiveness)

### EIDL Grants

**What Is An Economic Injury Disaster Loan (EIDL)?**
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.

**Who Is Eligible?**
- Private nonprofit organizations, small agricultural cooperatives
- Businesses; cooperatives; ESOPs; and tribal business concerns with 500 or fewer employees
- Independent contractors
- Sole proprietors (whether or not self-employed)

**How Does The Process Work?**

Eligible applicants who apply for an EIDL may request up to $10,000 be immediately disbursed. The amount need not be repaid, regardless of the loan decision. EIDL borrowers may apply for the Paycheck Protection Program, but when determining loan forgiveness, the advance EIDL grant is taken into consideration.

**How Can I Apply?**

There are a couple of ways to apply. The SBA has an online portal (Covid Relief Finder) where small businesses can upload documents and apply for a loan, or they can download the PDF on the agency’s website and mail the forms.

**How Much?**

A million small businesses are eligible to receive up to $10,000.

**How Long Will The Process take?**

The legislation requires SBA to disburse the funds within three days of receiving the application.

**How Can It Be Used?**
- Any allowable purpose under the EIDL program
- Provide paid sick leave, maintain payroll, and meet increased costs
- Make rent or mortgage payments, and repaying unmet obligations