

FREQUENTLY ASKED QUESTIONS

PAYMENT PROTECTION PROGRAM (PPP) LOANS

QUESTION: What types of businesses and entities are eligible for a PPP loan?

Answer:

- Businesses and entities must have been in operation on February 15, 2020.
- Small business concerns that have fewer than 500 employees or fewer employees than established by the relevant industry code.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business concern that employs less than 500 employees per physical location of the business concern and that is assigned a North American Industry Classification System code beginning with 72.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

QUESTION: How is the loan size determined?

Answer: Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always **\$10 million**.

- **If you were in business February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.
- **If you were not in business between February 15, 2019 – June 30, 2019:** Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.
- **If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020** and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

QUESTION: What costs are eligible for payroll?

- Answer:
- Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
 - Payment for vacation, parental, family, medical, or sick leave
 - Allowance for dismissal or separation
 - Payment required for the provisions of group health care benefits, including insurance premiums
 - Payment of any retirement benefit
 - Payment of State or local tax assessed on the compensation of employees

QUESTION: What costs are not eligible for payroll?

- Answer:
- Employee/owner compensation over \$100,000
 - Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
 - Compensation of employees whose principal place of residence is outside of the U.S
 - Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the [Families First Coronavirus Response Act](#)

QUESTION: What are allowable uses of loan proceeds?

- Answer:
- Payroll costs (as noted above)
 - Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums
 - Employee salaries, commissions, or similar compensations (see exclusions above)
 - Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)
 - Rent (including rent under a lease agreement)
 - Utilities
 - Interest on any other debt obligations that were incurred before the covered period

ECONOMIC INJURY DISASTER LOAN – SECTION 7(B) OF SBA (EIDL)	
QUESTION:	Are businesses and private non-profits in my state eligible for an EIDL related to COVID- 19?
Answer:	Yes, those suffering substantial economic injury in all 50 states, DC, and the territories may apply for an EIDL.
QUESTION:	What is an EIDL and what is it used for?
Answer:	EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment available for up to 4 years, that are available to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.
QUESTION:	Who is eligible for an EIDL?
Answer:	<p>Those eligible are the following with 500 or fewer employees:</p> <ul style="list-style-type: none"> ○ Small business concerns (including sole proprietorships, with or without employees) ○ Independent contractors ○ Cooperatives and employee owned businesses ○ Private non-profits ○ Tribal small businesses
QUESTION:	My private non-profit is not a 501(c)(3). Is it still eligible for an EIDL and a grant?
Answer:	Yes, if you are a private non-profit with 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 if you can provide 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.
QUESTION:	Who is eligible for an Emergency Economic Injury Grant?
Answer	Those eligible for an EIDL and who have been in operation since January 31, 2020 .
QUESTION:	How long are Emergency Economic Injury Grants available?
Answer:	January 31, 2020 – December 31, 2020. The grants are backdated to January 31, 2020 to allow those who have already applied for EIDLs to be eligible to also receive a grant.

<p>QUESTION: If I get an EIDL and/or an Emergency Economic Injury Grant, can I get a PPP loan?</p> <p>Answer: Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID- 19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP.</p>
<p>QUESTION: How do I know if my business is a small business?</p> <p>Answer: Please visit https://www.sba.gov/size-standards/ to find out if your business meets SBA's small business size standards. You will need the 6-digit North American Industry Classification Code for your business and your business' 3-year average annual revenue.</p>
<p>QUESTION: How do I apply for an economic injury disaster loan?</p> <p>Answer: To apply for an EIDL online, please visit https://disasterloan.sba.gov/ela/. Your SBA District Office is an important resource when applying for SBA assistance.</p>
<p>QUESTION: I am unfamiliar with the EIDL process, can anyone help me apply?</p> <p>Answer: Yes, SBA resource partners are available to help guide you through the EIDL application process. You can find the nearest Small Business Development Center (SBDC), Women's Business Center, or SCORE mentorship chapter at https://www.sba.gov/local-assistance/find/.</p>

SMALL BUSINESS DEBT RELIEF PROGRAM

QUESTION: Which SBA loans are eligible for debt relief under this program?

Answer: 7(a) loans not made under the Paycheck Protection Program (PPP), 504 loans, and microloans.
Disaster loans are not eligible.

QUESTION: How does debt relief under this program work with a PPP loan?

Answer: Borrowers may separately apply for and take out a PPP loan, but debt relief under this program will not apply to a PPP loan.

QUESTION: How do I know if I'm eligible for a 7(a), 504, or microloan?

Answer: In general, businesses must meet [size standards](#), be based in the U.S., be able to repay, and have a sound business purpose. Each program has different requirements, see <https://www.sba.gov/funding-programs/loans> for more details.

QUESTION: What is a 7(a) loan and how do I apply?

Answer: 7(a) loans are an affordable loan product of up to \$5 million for borrowers who lack credit elsewhere and need access to versatile financing, providing short-term or long-term working capital and to purchase an existing business, refinance current business debt, or purchase furniture, fixtures and supplies. In the program, banks share a portion of the risk of the loan with SBA. There are many different types of 7(a) loans, you can visit [this site](#) to find the one that's best for you. You apply for a 7(a) loan with a bank or a mission-based lender. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.

QUESTION: What is a 504 loan and how do I apply?

Answer: The [504 Loan Program](#) provides loans of up to \$5.5 million to approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. It is a good option if you need to purchase real estate, buildings, and machinery. You apply through a Certified Development Company, which is a nonprofit corporation that promotes economic development. SBA has a free referral service tool called [Lender Match](#) to help find a lender near you.

QUESTION: What is a microloan and how do I apply?

Answer: The [Microloan Program](#) provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers to start up and expand. The average microloan is about \$13,000. These loans are delivered through mission-based lenders who are also able to provide business counseling. SBA has a free referral service tool called [Lender Match](#) to help find a microlender near you.

QUESTION: I am unfamiliar with SBA loans; can anyone help me apply?

Answer: Yes, SBA resource partners are available to help guide you through the loan application process. You can find your nearest Small Business Development Center (SBDC) or Women's Business Center [here](#).