



## KAREN A. HAHN CPA, INC.

CERTIFIED PUBLIC ACCOUNTANT, CERTIFIED VALUATION ANALYST, MASTER OF SCIENCE IN TAXATION  
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### **SMALL BUSINESS ADMINISTRATION - Emergency Disaster Loan Programs**

Emergency relief has been funded by the federal government to help small businesses experiencing reduced revenues do to the COVID-19 Pandemic. These are direct incentive loans to keep your workers on payroll. \$349 billion has been made available for job retention and certain operating expenses such as payroll, rent & utilities. Eligible businesses must meet the following requirements:

- 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 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.

You may also be able to have this loan forgiven (not paid back) if you meet certain criteria:

- Your company expenses for an eight- week period after the loan origination date will be analyzed.
- Amounts your company spent on payroll, utilities, rent or interest on mortgage debt may considered for forgiveness. Up to the total amount borrowed may be forgiven.
- Laying off employees will be one activity that would prevent full forgiveness of your loan. If you laid off employees before your loan, you will may still have some debt forgiven.

#### **Paycheck Protection Program**

<https://www.sba.gov/funding-programs/loans/paycheck-protection-program>

Under this program:

Eligible recipients may qualify for a loan equal to your average payroll (calculated from 8 weeks of prior average payroll) plus an additional 25% of that amount.

- Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.

**This loan will be forgiven if all employees are kept on payroll for eight weeks.**

#### **Economic Injury Disaster Loan ADVANCE**

**Apply at:** <https://covid19relief.sba.gov/#/>

This advance provides *express* economic relief to business owners who are experiencing loss of revenue. Upon a successful application, the funds will be available within 3 days, up to a maximum of \$10,000.

**This loan advance will not have to be repaid. This advance may be provided in addition to other available loans.**

#### **Economic Injury Disaster Loan (EIDL)**



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Apply at: <https://covid19relief.sba.gov/#/>

### There are other low-interest loans available to be used for working capital:

- The SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
- The SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

### SBA Bridge Loan

<https://www.sba.gov/document/support--express-bridge-loan-pilot-program-guide>

If you have an existing loan with the SBA, you may be eligible for an express loan. The terms are as follows:

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

### SBA Debt Relief

If you have a 7(A) loan (Community Advantage Loan) with the SBA, they will provide relief from your loan payments. You can apply for this loan through an SBA Express Lender.

Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

Full resources and application process can be found at the SBA website:

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-4>

The SBA is requesting that applications be prepared through their on-line process for expediency. If you are unable to submit an on-line application, here are other filing options:



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Mail your completed Document(s) to:

U.S. Small Business Administration  
Processing & Disbursement Center  
Attn: ELA Mail Department  
P.O. Box 156119  
Fort Worth, TX 76155

**Email:** Email your completed document(s) as attachments to: [disasterloans@sba.gov](mailto:disasterloans@sba.gov)  
*This will not be secure and size is limited to 5mb.*

**Fax:** Fax your completed document(s) to: (202) 481-1505