

Resources for Small Business

Loan Program	Important Note	Maximum Loan Terms	Eligible Use of Proceeds	Collateral Required	Personal Guarantees	Eligible for Partial Loan Forgiveness
Paycheck Protection Program (CARES ACT) Accessed through Preferred Lender Programs *Limited funding available	If a borrower applies for PPP, proceeds may not be used to cover the same payroll costs that an EIDL loan is covering.	Amount - 2.5 months of eligible payroll expenses OR \$10,000,000 (whichever is less) Interest Rate - 0.50% (fixed) Maturity - Up to 2 years	May be used to pay for fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact.	None	None	Yes - If the borrower maintains payroll during the crisis or restores payroll afterward. Will need full evidence showing this in order to qualify.
SBA Disaster / Economic Injury Disaster Loan Accessed directly through SBA *Limited funding available	Economic Injury Advance - up to \$10,000 available to applicants that does not need to be repaid.	Amount - \$2,000,000 Interest Rate - 3.75% (fixed) Maturity - Up to 30 years	May be used to pay for fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact.	Business assets and potential personal assets of 20%+ owners of the business. No real estate collateral will be required.	Yes on loan amounts \$200k+. All 20%+ owners must provide personal guarantees.	No
SBA 7a (regular loans) Accessed through Preferred Lender Programs	Debt relief program available where SBA will cover loan payments for six months. Not applicable to PPP or EIDL Loans.	Amount - \$5,000,000 Interest Rate - Prime +2.75% Maturity - Up to 10 years for non-real estate or 25 years for real estate	You may finance any eligible business use including working capital, purchase of equipment, furniture, fixtures, real estate, improvements, business acquisition or refinance.	Business assets and potential personal assets of 20%+ owners of the business. No real estate collateral will be required.	Yes. All 20%+ owners must provide personal guarantees.	No

Items to begin gathering:	Links to Additional Resources:
The lender you choose to work with will have their own specific list, but is likely to request the following: -Business Organizational Documents (company agreement, Tax ID #, etc.) -Photocopy of Owner's DL's -Last 2-3 years business and personal tax returns -Updated PFS for the owner(s) -2019 Year-End Business Financial Statements (P&Ls and Balance Sheets) -Monthly payroll figures -Listing of business assets (A/R, Inventory, PP&E, real estate, etc.) -Lease Agreements -Wiring instructions for business bank account -Narrative of how business was impacted by due to Covid-19	U.S. SBA - Coronavirus: Small Business Guidance & Loan Resource U.S. SBA - Disaster Loan Assistance U.S. SBA - Types of 7(a) Loans U.S. Department of Treasury - Assistance for Small Businesses

Small Business Tax Provisions

Provision/Credit	Important note	Amount	Eligibility
Employee Retention Credit	The Credit will not be available to employers receiving assistance through PPP.	Refundable payroll tax credit for 50% of wages paid during crisis, up to \$10,000 per worker.	Available to employers whose operations were partially or fully suspended as a result of a government order. Also for employers who have experienced a greater than 50% reduction in quarterly receipts.
Delay of Payroll Tax Payments	The Deferral election will not be available to employers receiving assistance through PPP.	Defer paying employer portion of payroll taxes through end of 2020. Deferred to 2 installments due at end of 2021 and 2022.	Available to employers whose operations were partially or fully suspended as a result of a government order.
Net Operating Losses generated for tax years 2018, 2019 and 2020 can be carried back five (5) years.			

The purpose of this summary is to share some of our current research. Although we make every effort to be accurate in our content, the data is derived from other sources and should be reviewed carefully. While we believe these sources to be reliable, we cannot guarantee their validity. SFMG is not a CPA firm and does not provide tax advice. Please contact your tax advisor for discussion regarding specific planning strategies.

This summary was created 4/1/2020 and is subject to change as new information becomes available. Please rely on the direct lending sources for the most current information.