Dear Small Business Owner,

The Federal Government has authorized the release of a tremendous amount of funding to benefit small businesses and sole proprietors. The attached materials summarize the programs available. *It is well worth your time to review and apply for these loan/grant programs to defray financial injuries you have sustained due to this crisis.* You can retain your employees, re-hire laid off employees, pay for rent, mortgage expenses, utilities, benefits, payroll, tips and other costs. Most of the programs provide for six-month loan repayment; however, if the terms of the loan are met, the loan may be totally forgiven...resulting in a fully-covered grant to you! Seasonal businesses can also qualify.

The programs can be applied for on-line at the Small Business Administration Web Site noted on the attached documents. They are required to respond to your application within THREE DAYS. This is an immediate response program and will not take months to get funding! Please review!

Sincerely,

Mark Goldberg, Chair, Quartzsite Urban Economic Sustainability Team (951) 852-7815
While the program is open until June 30, 2020, the government is advising borrowers to apply as soon as possible given the loan cap on the program.
4 Will this loan be FORGIVEN?

Borrowers are eligible to have their loans forgiven.

How Much?

A borrower is eligible for loan forgiveness equal to the amount the borrower spent on the following items during the 8-week period beginning on the date of the origination of the loan:

- Payroll costs (using the same definition of payroll costs used to determine loan eligibility)
- Interest on mortgage obligation incurred in the ordinary course of business
- Rent on a leasing agreement
- Payments on utilities (electricity, gas, water, transportation, telephone, or internet)
- For borrowers with tipped employees, additional wages paid to those employees

NOTE: The government is now advising that because of high participation, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. The loan forgiveness cannot exceed the principal.

How could the forgiveness be reduced?

The amount of loan forgiveness calculated above is reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees. Specifically:

Reduction based on reduction of number of employees

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Average Number of Full-Time Equivalent Employees (FTEs) Per Month for the 8-Weeks Beginning on Loan Origination

Reduction based on reduction in salaries

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Option 1:

Averagenumber of FTEs per month from February 15, 2019 to June 30, 2019

Option 2:

Averagenumber of FTEs per month from January 1, 2020 to February 29, 2020

For Seasonal Employers:

Averagenumber of FTEs per month from February 15, 2019 to June 30, 2019

What if I bring back employees or restore wages?

Reductions in employment or wages that occur between February 15, 

Prepared by the U.S. CHAMBER OF
The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated $350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program (PPP), the initiative provides 100% federally guaranteed loans to small businesses. Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

The administration has released initial guidelines; they are available at www.treasury.gov. The U.S. Chamber of Commerce has issued this guide to help small businesses and self-employed individuals check eligibility and prepare to file for a loan.

Small businesses and sole proprietors can begin applying on April 3. Independent contractors and self-employed individuals can apply beginning on April 10.

Here are the questions you may be asking—and what you need to know.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating.
Am I ELIGIBLE?

You are eligible if you are:
- A small business with fewer than 500 employees
- A small business that otherwise meets the SBA's size standard
- A 501(c)(3) with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A Tribal business concern that meets the SBA size standard
- A 501(c)(19) Veterans Organization that meets the SBA size standard

In addition, some special rules may make you eligible:
- If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis
- If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company, the normal affiliation rules do not apply

REMEMBER: The 500-employee threshold includes all employees: full-time, part-time, and any other status.

What lenders will NOT LOOK FOR

Borrowers will need to complete the Paycheck Protection Loan Application (which is available HERE) and payroll documentation.

Lenders will also ask you for a good faith certification that:
1. The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
2. The borrower will use the loan proceeds to retain workers and maintain payroll or make mortgage, lease, and utility payments
3. The borrower does not have an application pending for a loan duplicative of the purpose and amounts applied for here
4. From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not received a loan duplicative of the purpose and amounts applied for here (Note: There is an opportunity to fold emergency loans made between Jan. 31, 2020 and the date this loan program becomes available into a new loan)

If you are an independent contractor, sole proprietor, or self-employed individual, lenders will also be looking for certain documents (final requirements will be announced by the government) such as payroll tax filings, Forms 1099-MISC, and income and expenses from the sole proprietorship.
2020 and April 26, 2020 (as compared to February 15, 2020) shall not reduce the amount of loan forgiveness if by June 30, 2020 the borrower eliminates the reduction in employees or reduction in wages.
Paycheck Protection Program

An SBA loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis.

Content

- Loan Information
- Who Can Apply
- Loan Details and Forgiveness
- Other Assistance
- Lender Forms and Guidance

Apply for the Paycheck Protection Program

FIND A LENDER

Loan Information

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020.

Who Can Apply

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
Businesses in certain industries may have more than 500 employees if they meet the SBA’s size standards for those industries.

Small businesses in the hospitality and food industry with more than one location could also be eligible if their individual locations employ less than 500 workers.

**Loan Details and Forgiveness**

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of 1%.

If you wish to begin preparing your application, you can download a copy of the PPP borrower application form to see the information that will be requested from you when you apply with a lender.

**Other Assistance**

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are currently eligible to apply for disaster assistance.

Enhanced Debt Relief is also available in SBA’s other business loan programs to help small businesses overcome the challenges created by this health crisis.

For information on additional lending options, please click here.

SBA provides local assistance via 68 district offices and a nationwide network of resource partners. To find resources near you, please click here.

**Lender Forms and Guidance**

The Interim Final Rule announcing the Paycheck Protection Program information is being posted in advance of publication in the Federal Register. The official version will appear in the Federal Register. Click here to download.
Click here to download the Paycheck Protection Program Lender Application Form. Lenders who need assistance accessing SBA's E-Tran system to process loan guarantee requests may call our Lender Customer Service Line at 1-833-572-0502.
Coronavirus (COVID-19)

SBA Disaster Assistance in Response to the Coronavirus

Content

- Areas eligible for SBA disaster loans
- Economic Injury Disaster Advance Loan
- Other Coronavirus Assistance

The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state’s or territory’s Governor, the SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.

- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available statewide to small businesses and private, nonprofit organizations to help alleviate economic injury caused by the Coronavirus (COVID-19). This will apply to current and future disaster assistance declarations related to Coronavirus.

The SBA’s Office of Disaster Assistance will coordinate with the state’s or territory’s Governor to submit the request for Economic Injury Disaster Loan assistance.

- Once a declaration is made, the information on the application process for Economic Injury Disaster Loan assistance will be made available to affected small businesses within the state.
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.

The SBA’s Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government’s coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.

Areas eligible for SBA disaster loans

Small business owners in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19).

Economic Injury Disaster Advance Loan

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to $10,000.

This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application. This loan advance will not have to be repaid.

SBA Small Business Bailout information and loan/grant applications: Information and easy to fill-out forms...