

Federal and New York City Covid-19 Related Loan and Grant Programs

	<u>Economic Injury Disaster (EIDL) Grant Program</u>	<u>Economic Injury Disaster Loans (EIDL)</u>	<u>Payroll Protection Program Loans (PPP)</u>	<u>New York City Small Business Assistance through the NYC Small Business Continuity Loan Program (the “NYC Loan Program”)</u>	<u>New York City Small Business Assistance through the NYC Employee Retention Grant Program (the “NYC Grant Program”)</u>
Description	The CARES Act creates a new \$10 billion grant program utilizing the SBA’s Office of Disaster Assistance Infrastructure, to provide small business with quick capital in the form of a grant.	This is 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 the COVID-19 crisis.	This is a new SBA 7(a) loan program created by the CARES Act for small businesses and the self- employed to provide financial assistance due to the COVID-19 pandemic. If employers maintain payroll, PPP Loans may be forgiven (see below). For more information please visit: https://www.sba.gov/document/support-affiliation-rules-paycheck-protection-program	These are small business loans designed to help NYC businesses that have suffered through the Covid-19 pandemic.	These are small business grants designed to help NYC businesses that have suffered through the Covid-19 pandemic.
Eligibility	Companies with no more than 500 employees, including cooperatives, ESOPs, and nonprofit organizations; sole proprietors; the self-employed; and independent contractors. Please visit the following site to see if you qualify as a small business: https://www.sba.gov/size-standards/	Companies with no more than 500 employees, including cooperatives, ESOPs, and nonprofit organizations; sole proprietors; the self- employed; and independent contractors. Please visit the following site to see if you qualify as a small business: https://www.sba.gov/size-standards/	All businesses—including nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors—with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries. For this program, the SBA’s affiliation standards are waived for small businesses (1) in the hotel and food services industries; or (2) that are franchises in the SBA’s Franchise Directory; or (3) that receive financial assistance from small business investment companies licensed by the SBA. Additional guidance may be	Businesses that (a) are located within the five boroughs of NYC and (b) demonstrate that the Covid-19 outbreak caused at least a 25% decrease in revenue and (c) employ less than 100 employees in total across all locations and (d) have been in operation for at least 2 years and (e) demonstrate the ability to repay the loan and (f) have no outstanding tax liens or legal judgments.	Businesses that (a) are located within the five boroughs of NYC and (b) demonstrate that the Covid-19 outbreak caused at least a 25% decrease in revenue and (c) employ 1-4 employees in total across all locations and (d) have been in operation for at least 6 months and (e) have no outstanding tax liens or legal judgments.
Conditions	Funds can be used for any allowable purpose under the EIDL Program, including paid sick leave, payroll, and other operating costs such as rent, mortgage payments, and repaying unmet obligations.	Loan funds can be used as working capital to pay fixed debts, payroll, accounts payable and other bills that could have been paid had the disaster not occurred	Funds can be used on payroll costs, including benefits; interest on mortgage obligations, incurred before February 15, 2020; rent, under lease agreements in force before February 15, 2020; and utilities, for which service began before February 15, 2020.	Funds may be used to help small businesses address the negative economic impact of COVID-19.	Funds may be used to cover payroll costs in order to help retain employees as NYC businesses face decreased revenue from COVID-19.

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How to Apply	https://www.sba.gov/funding-programs/disaster-assistance	https://www.sba.gov/funding-programs/disaster-assistance	https://www.sba.gov/funding-programs/loans/paycheck-protection-program	https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp	https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources
How long with the process take?	Legislation requires the SBA to disburse the funds thorough EIDL Loans within three (3) days after receiving and approving the application.	Case-by-case basis. As quickly as possible.	All current SBA 7(a) Lenders are now considered eligible lenders. The Department of Treasury will authorize new lenders to help expedite the processes and delivery of capital to small businesses. The CARES Act allows 15 days for the SBA to release guidelines on the PPP Loan program. The timing of funding will depend upon the lender you choose.	Case-by-case basis.	Case-by-case basis.
Maximum Amount	Up to \$10,000.	Up to \$2 million.	Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.	Up to \$75,000.	Up to 40% of payroll costs for 2 months.
Payroll Limitations	None.	None.	Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.	None.	None.
SBA Guaranty Fees	N/A	None.	None.	None.	N/A
Interest Rate	None.	3.75% for profit borrowers and 2.75% for non-profit borrowers.	1.00% Fixed Rate.	0%	N/A

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Loan Term	None. This is a grant, not a loan.	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.	2 Years	Case-by-case basis.	None. This is a grant, not a loan.
Payment Options	None.	Deferment of loan repayments permitted for one (1) year.	All payments are deferred for 6 months; however, interest will continue to accrue over this period.	Case-by-case basis.	None.
Personal Guarantee	N/A	Loans over \$200,000 may require a personal guaranty.	None.	N/A	None.
Collateral	None.	Collateral may be required on EIDL Loans over \$25,000. The SBA will accept real estate (commercial and residential) as collateral when it is available and, while it will not decline a loan for lack of collateral, it will require borrowers to pledge what is available. Loans over \$200,000 require guarantees by owners of 20% or more borrower.	None.	N/A	None.



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<p>Loan Forgiveness</p>	<p>None needed, as this is a grant program. Note: EIDL Grant recipients still may apply for a PPP Loan, but when determining loan forgiveness, the \$10,000 EIDL Grant is taken into consideration.</p>	<p>An advance of \$10,000 will be provided as a grant within three days of application and is not required to be repaid if the EIDL Loan denied. Note: EIDL Loan recipients may not apply for PPP Loans for the same purposes (although an existing EIDL Loan can be refinanced into a PPP Loan).</p>	<p>You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. You will also owe money if you do not maintain your staff and payroll. Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount. Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019. Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020. To request loan forgiveness, you can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness within 60 days.</p>	<p>Case-by-case basis.</p>	<p>None.</p>
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