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OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

Coronavirus Aid, Relief, and Economic Security (CARES) Act

# PROGRAM FACT SHEETS

*March 30, 2020*



## **FACT SHEET: SMALL BUSINESS ADMINISTRATION (SBA) ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM**

**Application Period: March 25 - May 8, 2020**

**Loan Amount: Up to \$2 Million**

### **What is the SBA Economic Injury Disaster Loan Program?**

The U.S. Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) is a federally-funded loan program available to small businesses, small agricultural cooperatives and most private nonprofit organizations. The loan helps with meeting financial obligations and operating expenses that could have been met had the disaster not occurred.

### **Who is eligible?**

Businesses, private nonprofits and cooperatives with fewer than 500 employees. Small businesses currently recognized by the SBA. Independent contractors and sole proprietors.

While EIDL is traditionally a loan program, the CARES Act, which establishes a \$350 billion Paycheck Protection Program through June 30, 2020, would provide \$10 billion for SBA to temporarily offer grants through the program to eligible small businesses with government-backed interruption loans, which could then be forgiven based on the borrower keeping its employees on payroll.

### **EIDL Loan Advance**

As part of the COVID-19 EIDL Program, 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.

### **To learn more, contact the SBA at:**

Website: <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

SBA Loan Guidance: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Streamlined Application Process: <https://covid19relief.sba.gov/#/> Email

Customer Service: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) Phone: 800-659-2955

Monday through Friday between 8:30AM and 5PM.

## **FACT SHEET: ENTREPRENEURIAL ASSISTANCE**

Start Date: March 1, 2020

End Date: through June 30, 2020

### **Entrepreneurial Assistance**

The bill would provide grants to offer counseling, training, and related assistance to small businesses affected by COVID-19:

\$240 million for SBA Small Business Development Centers and Women's Business Centers. The non-federal match for Women's Business Centers would be waived for a period of three months.

\$10 million for Minority Business Development Agency's Minority Business Centers

\$25 million for grants to associations representing resource partners.

For more information, visit <https://www.sba.gov>

\*SBA guaranty loans are generally provided by private lending institutions with support by SBA. Contact a local lender for more information on this program.

For additional information on assistance on these programs please contact provider agencies:

Small Business Development Center (SBDC) 111 E. Las Olas Blvd., HEC Building,  
Room 1010 Ft. Lauderdale, FL 33301  
954-762-5263

<http://www.fau.edu/sbdc/>

Florida's Women Business Center (FLWBC) 6241 N. Dixie Highway  
Fort Lauderdale, FL 33334  
561-265-3790 X111 Fax: 561-808-8137

<https://flwbc.org/>

Minority Business Development Agency (MBDA) 305-751-2908  
9949 NE 2nd Avenue, Suite 204  
Miami, FL 33138

## **FACT SHEET: DELAY OF PAYMENT AND EMPLOYEE RETENTION**

Start Date: March 01, 2020

End Date: through June 30, 2020

## **TAX CREDITS**

This section of the bill was written to prevent workers from losing their jobs and small businesses from going out of business due to economic losses caused by the coronavirus pandemic. The plan provides cash-flow assistance through 100 percent federally-guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven. This proposal would be retroactive to March 1, 2020, to help bring workers who may have already been laid off back onto payrolls.

### **Delay of payment of employer payroll taxes**

*Allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees. The provision requires that the deferred employment tax be paid over the following two years, with half of the amount required to be paid by December 31, 2021, and the other half by December 31, 2022.*

### **Employee retention credit for employers subject to closure due to COVID-19**

Provides a refundable payroll tax credit for 50 percent of wages paid, up to \$10,000, by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19- related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year. The credit is based on qualified wages paid to the employee. For employers with greater than 100 full-time employees, qualified wages are wages paid to employees when they are not providing services due to the COVID-19- related circumstances described above.

For more information on COVID-19-related paid leave or tax credits, contact:

NaLee Park of the IRS at 202-317-6798

IRS Website: <https://www.irs.gov/coronavirus>

## **FACT SHEET: SMALL BUSINESS LOAN PROGRAM AND TAX CREDITS**

Start Date: March 1, 2020

End Date: through June 30, 2020

### **SMALL BUSINESS LOAN PROGRAM AND TAX CREDITS**

This section of the bill was written to prevent workers from losing their jobs and small businesses from going out of business due to economic losses caused by the coronavirus pandemic. The plan provides cash-flow assistance through 100 percent federally-guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven. This proposal would be retroactive to March 1, 2020, to help bring workers who may have already been laid off back onto payrolls.

#### **Small Business Assistance**

Small employers with 500 employees or fewer will be eligible to apply for the loans. Loans would be immediately available through existing Small Business Administration-certified lenders, including banks, credit unions, and other financial institutions, and SBA would be required to streamline the process to bring additional lenders into the program.

The Secretary of Treasury would be authorized to expedite the addition of new lenders and make further enhancements to expedite delivery of capital to small employers.

The size of the loans would be tied to an applicant's average monthly payroll; mortgage, rent, and utility payments; and other debt obligations over the previous year. The maximum loan amount would be \$10 million.

Conditional upon business retaining their employees and payroll levels during the covered period (March 1, 2020, through June 30, 2020), the portion of the loan used to cover payroll and payments on pre-existing debt would be forgiven. Further, employers with tipped employees would receive forgiveness for additional wages paid to such employees during the covered time.

The bill would provide \$300 billion to support these loans.

#### **For more information, contact:**

NaLee Park at Office of Associate Chief Counsel at IRS Phone: 202.317.6798

Website: <http://www.irs.gov/coronavirus>

**Office of Mayor Dale V.C. Holness**

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