

SBA COVID-19 RELIEF FOR SMALL BUSINESSES

Key Terms	SBA 7(a) CARES Act Payroll Protection Program (PPP)	SBA 7(b)(2) Economic Injury Disaster Loan (EIDL)
Purpose of Loan	Preserve Employee Retention	Economic Damage Caused by Disaster
Period Covered	February 15, 2020 - June 30, 2020	January 31, 2020 - December 31, 2020
Who Qualifies?	<p>Entities in operation since February 15, 2020, with less than 500 employees, including:</p> <p>(1) Small businesses,* (2) Non-profit organizations (3) Sole proprietors, independent contractors, and self-employed persons, (4) Tribal businesses, (5) Veteran Organizations</p> <p>*Includes hotels, restaurants, and franchisors (under NAIC 72) with more than 500 employees in total when they have less than 500 employees per physical location.</p>	<p>(1) Small businesses with 500 employees or less, (2) Non-profit organizations, (3) Sole proprietors, independent contractors, and self-employed persons, (4) Tribal businesses, and (5) Borrowers must be located in a president declared disaster area and have tangible assets.</p>
Collateral Requirements	None	Yes for loans above \$25,000
Loan Advances	None	Up to \$10,000
Loan Maximum per Company	\$10 million or Loan Amount Calculation (below), whichever is less	\$2 million
Loan Amount Calculation	<p>250% X average monthly "Payroll Costs"¹ in the preceding 12-month period* before loan origination.</p> <p>*Alternative periods available for "seasonal" businesses or those not in operation during 2019.</p>	Based on actual economic injury and company's financial needs
"Allowable Use" of Funds	<p>(1) "Payroll Costs", (2) mortgage interest payments, (3) rent, (4) interest on any other debt obligations that were incurred before the covered period, and (5) utilities.</p>	<p>Working capital, including: (1) fixed debts, (2) payroll, (3) accounts payable, (4) mortgage interest, (5) rent, and (6) other bills that can't be paid because of the disaster's impact.</p>
Interest Rate	For Profit and Non-Profit - 1.00% (on unforgiven portion)	For Profit - 3.75% (on amounts not forgiven) Non-Profit - 2.75% (on amounts not forgiven)

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Loan Repayment Term	2-years on unforgiven portion	Up to 30-years
Deferred Payments	Yes - 6-months	Yes - 6 months
Loan Forgiveness	100% forgiveness possible if: (1) Loan proceeds are disbursed only for "Allowable Uses" (see above), (2) The number of full-time equivalent (FTE) employees employed by the eligible recipient as of June 30, 2020 equals the number of (FTE) employees employed as of February 15, 2020. (3) At least 75% of the loan proceeds are used for "Payroll Costs" during the 8-week period after loan origination.	Loan Advance Amount Only (\$10,000)
When and How Apply?	Contact SBA-approved lender, which may include your existing bank, or contact: info@baybridge.com info@bpbcpa.com	Apply directly with SBA online at: https://covid19relief.sba.gov/#/ or, contact info@baybridge.com info@bpbcpa.com

Note(s)

1 - Payroll Costs include salary, wages, commission, or similar compensation, including:

- Tips
- Vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation (e.g., severance payments)
- Continuation of group health care benefits, including insurance premiums
- Payments of any retirement benefit
- State or local taxes assessed based on compensation (e.g., unemployment insurance, etc.)
- Excludes payments to independent contractors (i.e., 1099 recipients)