

UPDATES AS OF 04/01/2020 IN RED:

Please see highlighted updates below. Old text from our previous release that has been superseded has been struck through.

SBA Economic Injury Disaster Loan (EIDL) Program Expansion

As part of the CARES Act, passed and signed into law 03/27/2020, the Small Business Administration (SBA) EIDL section 7(b) loan program was expanded to assist small businesses in weathering the COVID-19 pandemic. The following is a high-level overview of the revisions to the 7(b) program.

LOAN ADMINISTRATION

Section 7(b) loans are administered directly by the SBA. ~~The necessary forms can be downloaded and submitted at the following site: <https://www.sba.gov/disaster/apply-for-disaster-loan/index.html>~~ **Applications can be filled out online here:** <https://covid19relief.sba.gov/#/>

ELIGIBILITY

These loans are available to small businesses, non-profit organizations under 501(c), 501(d), and 501(e), ESOP or tribal businesses with 500 employees or less.

This includes sole proprietorships, with or without employees, who work as independent contractors.

WAIVERS

As part of the expansion the SBA will be waiving some of the traditional requirements related to 7(b) loans.

1. Loans of up to \$200,000 will not require personal guarantees if the business was in operation as of 01/31/2020
2. You will not be required to have been in business for at least one year
3. There will not be a requirement for you to exhaust other traditional lending options
4. The SBA has the discretion to approve your application based strictly on your credit score and will not require you to submit a tax return or transcript to be approved

ADVANCE OF FUNDS

If you are eligible as determined by the SBA, you may request an advance of \$10,000 which can be used for:

1. Providing sick pay to employees unable to work as a direct effect of COVID-19
2. Payroll expenses to retain employees during business disruption or substantial slowdowns
3. Cover increased costs to obtain materials necessary due to issues with the supply chain of those materials
4. Make your rent or mortgage payment.
5. Repaying obligations that you otherwise could not pay due to revenue losses

You do not have to repay the advance, even if your loan application is ultimately denied.

An applicant may request that the Administrator provide an advance within 3 days after the Administrator receives an application from such applicant.

You will be required to self-certify that you are an eligible entity.

If an SBA Section 7(a) loan is subsequently obtained, any loan forgiveness will be reduced by the \$10,000 advance already received.

This communication is being made based on Martin Hood's professional judgement and analysis of COVID-19 relief provisions, including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Families First Coronavirus Response Act (FFCRA). It is at least reasonably possible that final regulations and guidance promulgated related to subjects addressed within may differ significantly from those regulations and guidance available at the time this communication was made. It is the sole responsibility of the recipient to evaluate the adequacy of this communication and how this communication is applicable to the recipient's specific facts and circumstances. The recipient is solely responsible for selection of any relief provisions, as well as for maintaining compliance with all the applicable terms and conditions of such relief provisions.