

WHAT THE CARES ACT MEANS TO YOU

	SBA PAYCHECK PROTECTION ACT	SMALL BUSINESS DISASTER RELIEF PROGRAM (EIDL)
Eligibility	<ul style="list-style-type: none"> • Small Businesses with 500 or less employees • Sole proprietors • Independent Contractors • Self-employed individuals • Nonprofit and veteran's organizations 	<ul style="list-style-type: none"> • Startups • Any individual operating as a sole proprietor or independent contractor • Cooperatives and ESOP's with fewer than 500 employees
Requirements	Must certify business impact by COVID-19 and use of funds to retain workers, maintain payroll, and other debt obligations	Waives the requirement that a business be operational one year before the disaster
Loan Max	2.5 x average monthly payroll for the 12 months preceding the date the loan is made, up to a max of \$10M (Seasonal and new have different dates)	\$2M
Personal Guarantee	No personal guarantee or collateral required	No collateral required under \$25,000 Collateral required over \$25,000
Government Guarantee	100%	Per criteria
Payment Deferment Allowed	Min 6 months, Max 1 year	Currently 6 months
Allowable Uses	Payroll support such as employee salaries, paid sick or medical leave, insurance premiums, mortgage payments, or other debt	Advance payment of \$10,000 to cover payroll, paid sick leave, medical leave, insurance premiums or mortgage payments, or other debt obligations
Payment Forgiveness	Per SBA/Lender Criteria	Per SBA criteria
How/where to apply	Local lender	https://covid19relief.sba.gov/#/
Loan term	10 years	30 years
Interest Rate	4%, normal 7(a) fees are waived	3.75% for Profit, 2.75% Non Profit
Does Not Include	<ul style="list-style-type: none"> • Compensation in excess of annual salary - 100k • Certain taxes imposed or withheld • Compensation of employees whose residence is outside the U.S. • Qualified sick leave wages under Section 7001 • Qualified family leave wages under Section 7003 	<ul style="list-style-type: none"> • Prior loans in effect with SBA • Debt prior to COVID-19
Credit Elsewhere	No, SBA is waiving this	Yes, if credit can be found elsewhere, not eligible
How long to apply	Until June 30, 2020	Not yet determined, ongoing
Can I apply for both	Yes, but not for the same purpose	Yes, but not for the same purpose

Please note: This information was accurate on the day it was produced but is changing rapidly.
Consult your accountant, lender or the ND SBDC before making decisions.

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