



# 2021 SBA COVID-19 Economic Relief Overview

*Current as of April 14, 2021*

This presentation provides a general overview of the programs the SBA is administering related to provisions in the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues (the Economic Aid Act) and American Rescue Plan Acts. In the event of any inconsistency between this presentation and the PPP Extension Act of 2021, American Rescue Plan Act, the Economic Aid Act, the PPP Flexibility Act of 2020, the CARES Act, PPP IFRs, SBA FAQs, PPP Application Forms and Instructions, and other PPP guidance (together, official guidance), the official guidance governs.

Information Current as of 4/14/21 – Visit [SBA.gov/relief](https://www.sba.gov/relief) for the most up-to-date information.

# Agenda

- 1 Where We Are
- 2 SBA COVID-19 Economic Relief Funding Options
- 3 Loan Programs – PPP, EIDL, Debt Relief
- 4 Payment & Grant Programs – Targeted EIDL Advance, SVOG
- 5 New: Supplemental Targeted Advance, Community Navigators & Restaurant Revitalization Fund
- 6 Additional Assistance & Resources



In late February and early March 2021, the Biden-Harris Administration and SBA took steps to ensure inclusivity and equitable relief for America’s mom-and-pop businesses that anchor our neighborhoods and help families build wealth.

## Where We Are

President Biden signed the [American Rescue Plan Act](#) into law on March 11, 2021, providing additional relief for hard-hit small businesses while building a bridge toward economic recovery, and on March 30, 2021, he signed the PPP Extension Act of 2021 into law.

The SBA is committed to administering the economic aid as quickly as possible and ensuring its equitable delivery to America’s small businesses and other eligible entities.

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](http://www.sba.gov/relief) for the most up-to-date information.

# SBA COVID-19 Economic Relief Funding Options

## Loan Programs

## Payment & Grant Programs



Paycheck  
Protection  
Program



Debt Relief on  
SBA 7(a), 504  
and Microloans



Economic Injury  
Disaster Loan, Targeted  
EIDL Advance and  
Supplemental Targeted  
Advance



Shuttered Venue  
Operators Grant  
and Restaurant  
Revitalization Fund

# Top PPP Takeaways from the Economic Aid and American Rescue Plan Acts

- Expanded PPP eligibility and how funds can be used
- A borrower can select a covered period to be **between 8 and 24 weeks**
- A Second Draw PPP loan option for hardest hit small businesses
- Deduction of expenses covered with forgiven PPP loan debt on federal taxes
- Updated simplified forgiveness form to include PPP loans of up to \$150,000 (86% of PPP loans submitted in 2020)
- EIDL Advance no longer subtracted from PPP loan forgiveness amount



[SBA.gov/ppp](https://www.sba.gov/ppp)

# Prioritizing Equitable Relief for Mom-and-Pop Businesses

**Policy changes took effect in late February & early March 2021**

- A 14-day exclusive application period during which lenders could only submit applications for the smallest businesses and nonprofits with fewer than 20 employees
- Increased support for independent contractors, sole proprietors, and eligible self-employed individuals



**SBA.gov/ppp**

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](http://www.sba.gov/relief) for the most up-to-date information.



# Updated Loan Amount Calculation for 1040 Schedule C Filers

## Sole proprietors, independent contractors & eligible self-employed

- Schedule C filers can use **gross income** rather than **net profit** to calculate their PPP loan amount to receive more financial support
- Not retroactive for Schedule C filers who submitted a PPP application using the old form
- If you submitted a Schedule C PPP application prior to March 3, 2021, speak to your lender immediately to see if it can be withdrawn or canceled so the new form can be used
- If the loan has already been disbursed & lender has filed a Form 1502 Report, it cannot be cancelled, and no changes can be made to the loan amount calculation



[SBA.gov/ppp](https://www.sba.gov/ppp)

# PPP Eligibility Expanded and Clarified

## Additional steps to further promote fair and equitable relief

- Eliminated restrictions on businesses with owners who have **prior non-financial fraud felony convictions**
- Eliminated the restriction on businesses owned or controlled by owners who are currently delinquent or have defaulted on **federal student loan debt**
- Clarified all persons lawfully residing in the U.S. have access to the PPP. Permitting the use of **Individual Taxpayer Identification Numbers (ITINs)** as an identifier for a PPP borrower



[SBA.gov/ppp](https://www.sba.gov/ppp)

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](https://www.sba.gov/relief) for the most up-to-date information.



# What is a First Draw PPP Loan?

**For eligible applicants that did not receive a PPP loan prior to Aug. 9, 2020**

- Must have been in business by Feb. 15, 2020
- Borrowers can set the covered period to use PPP loan proceeds to be any length between 8 and 24 weeks after disbursement
- Additional types of entities now eligible
- Covered eligible expenses are expanded
- Must apply **on or before May 31, 2021**, or until Congressional appropriations are exhausted



**SBA.gov/ppp**

# First Draw PPP Loan Eligibility

## Must comply with size standards, eligibility criteria & certain limitations

### Newly Eligible per American Rescue Plan Act

- Certain additional 501(c) non-profit organizations
- Certain internet-only news & internet-only periodical publishing organizations

### Still Eligible

- Sole proprietors, independent contractors, self-employed individuals
- Business entities (e.g., partnerships, corporations, LLCs)
- Tribal businesses
- 501(c)(3) non-profit organizations
- 501(c)(19) Veterans organizations
- Housing cooperatives
- Destination marketing organizations
- Certain 501(c)(6) organizations such as Chambers of Commerce
- Certain news organizations



[SBA.gov/ppp](https://www.sba.gov/ppp)

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](https://www.sba.gov/relief) for the most up-to-date information.



# What is a Second Draw PPP Loan?

**For borrowers that previously received a PPP loan, have 300 employees or less, and suffered a 25% reduction in gross receipts**

- Maximum loan amount is \$2 million
- First Draw and Second Draw PPP loan covered periods cannot overlap
- Must demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020



[SBA.gov/ppp](https://www.sba.gov/ppp)

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](https://www.sba.gov/relief) for the most up-to-date information.



# PPP Loan Application Process



## 1. Find a PPP Lender

- [SBA.gov/LenderMatch](https://www.sba.gov/lendermatch)
- [SBA.gov/paycheckprotection/find](https://www.sba.gov/paycheckprotection/find)
- Contact SBA Resource Partner: [SBA.gov/local-assistance](https://www.sba.gov/local-assistance)

## 2. Complete Application

- Include all supporting documentation
- Get help from SBA Resource Partner: [SBA.gov/local-assistance](https://www.sba.gov/local-assistance)

## 3. SBA Issues Loan #

- Lender submits application electronically to the SBA for compliance check & loan number

**May 31, 2021 (or when appropriated funding is exhausted) is the final deadline for lenders to submit PPP loan applications to the SBA**



[SBA.gov/ppp](https://www.sba.gov/ppp)

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](https://www.sba.gov/relief) for the most up-to-date information.

# PPP Loan Terms / Maturity

## If the PPP loan is not 100% forgiven

### PPP loans have:

- A fixed interest rate of 1% that is non-compounding and non-adjustable
- No requirement for collateral or personal guarantees
- No fees or prepayment penalties
- A five-year maturity (for those issued before June 5, 2020, it's two years); borrowers can ask their lender to extend to five years
- Payments start once borrower knows how much of the PPP loan is forgiven; lender will notify the borrower
- If borrowers do not apply for forgiveness, payments start 10 months after the last day of the covered period



[SBA.gov/ppp](https://www.sba.gov/ppp)

# PPP Loan Forgiveness

**Borrowers must apply for PPP loan forgiveness through their lender;  
lenders submit lender forgiveness decisions to the SBA**

## Per the Economic Aid Act

- EIDL Advances are no longer deducted from PPP loan forgiveness payment
- Expenses paid with PPP loan funds are federally tax deductible; **contact the IRS** for details on this
- Expanded forgivable expenses are permissible for any unforgiven PPP loan
- **New:** simplified forgiveness application for PPP loans \$150,000 and under

## Per the CARES Act

- Forgiven PPP loans are not federally taxable income



[SBA.gov/ppp](https://www.sba.gov/ppp)

# COVID-19 Economic Injury Disaster Loan (EIDL)

Provides economic aid to businesses experiencing a temporary loss of revenue due to COVID-19

## Economic Aid Act Extended Deadline to Dec. 31, 2021

- Can be used for working capital and normal operating expenses such as continuation of health care benefits, rent, utilities, fixed debt payments
- **Terms:** 3.75% for businesses (fixed), 2.75% for nonprofits (fixed), 30 years, no pre-payment penalty; loans over \$25,000 secured by UCC filing (\$100 deducted from loan proceeds)
- **Eligibility:** qualified small businesses, cooperatives and agricultural enterprises with 500 or fewer employees (or defined as small per [sba.gov/sizestandards](https://www.sba.gov/sizestandards)), and private non-profits



[SBA.gov/eidl](https://www.sba.gov/eidl)

# COVID-19 Economic Injury Disaster Loan (EIDL)

## Loan increase and deferment changes

- **Loan limit:** up to 24-months of economic injury via a \$500,000 maximum loan
- To request **an increase**, email [CovidEIDLIncreaseRequests@sba.gov](mailto:CovidEIDLIncreaseRequests@sba.gov) with **SUBJECT: EIDL Increase (insert 10-digit EIDL application # here)**
- **All SBA disaster loan payments are deferred**
  - Loans made in 2020: first payment due 24 months from the date of the note
  - Loans made in 2021: first payment due 18 months from the date of note



[SBA.gov/eidl](https://www.sba.gov/eidl)



# Debt Relief for Certain SBA Loans

## Program for 7(a), 504 and Microloan Borrowers Only

- For new 7(a), 504 or Microloans approved on or after February 1, 2021 and through September 30, 2021, SBA will pay three months of principal and interest after the loan is fully disbursed and after any deferment, capped at \$9,000 per loan per month.
- Borrowers do not need to apply for this debt relief; the SBA provides it automatically.
- Letters have been distributed to eligible borrowers; a sample letter can be found at [www.sba.gov/coronavirusrelief](http://www.sba.gov/coronavirusrelief) > Debt Relief > Sample Section 1112 Borrower Letter
- Contact your lender with debt relief questions



# Targeted EIDL Advance

**No action required until contacted by the SBA via direct email invite**

## New Program in the Economic Aid Act

- Only for businesses & non-profits that applied for an EIDL and 1) are in a **low-income community**; 2) have suffered **greater than 30% economic loss**; and 3) have **300 or fewer employees**
- If you meet the above, a Targeted EIDL Advance will (per funding availability):
  - Balance out a previous EIDL Advance to a full \$10,000
  - Provide \$10,000 to those who applied for an EIDL but didn't receive an Advance payment due to lack of funding
- The **SBA is emailing those who may qualify** with instructions on how to determine eligibility and submit documentation.



# Targeted EIDL Advance

## Items needed to verify eligibility and submit

- 2019 Federal Tax Return (recommended to have on hand when applying)
- EIN/SSN as specified in original EIDL application
- Monthly gross receipts for 2019, 2020, and completed months in 2021
- Confirmation that the information in original EIDL application is still accurate (changes may require a manual review and documentation)
- Applicants initially eligible will be required to sign a 4506-T for the SBA to obtain tax transcripts for further processing



# Targeted EIDL Advance

## Application Process

- Only one submission for each Targeted EIDL Advance can be made
- Carefully review the bank account information
- Ensure information submitted is 100% correct; due to limited Targeted EIDL Advance funds, the SBA will not be able to make reconsiderations
- SBA's goal is to process completed applications within 21 days; applications may not be considered complete until after IRS Form 4506-T is received
- **Application questions:** [TargetedAdvance@sba.gov](mailto:TargetedAdvance@sba.gov)
- **If approved:** You will receive an email & ACH deposit to the bank account provided



# Shuttered Venue Operators Grant

**Over \$16 billion in total available; maximum grant is \$10 million**

## Eligible Entities

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization and motion picture theater operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Talent representatives
- Maximum of five business entities related via affiliation (for example, one parent firm and four subsidiaries) that also meet the eligibility requirements

**Plus ...** Must have been in operation as of Feb. 29, 2020

**A reopening date will be announced in advance to allow for sufficient preparation time.**



**SBA.gov/svogrant**

Information Current as of 4/14/21 – Visit [www.sba.gov/relief](http://www.sba.gov/relief) for the most up-to-date information.

# Shuttered Venue Operators Grant

## What do to do prepare

- Get registered in the federal government's System for Award Management (SAM.gov)
- Review the often updated Frequently Asked Questions, Preliminary Checklist, Eligibility Requirements and video tutorials on [SBA.gov/svogrant](https://www.sba.gov/svogrant)

### Determine Potential Grant; it will be the lesser of \$10 million or:

- If in operation **on** Jan. 1, 2019: 45% of the 2019 gross earned revenue
- If began operation **after** Jan. 1, 2019: the average monthly gross revenue for each full month in operation during 2019 multiplied by 6



[SBA.gov/svogrant](https://www.sba.gov/svogrant)

# Cross Eligibility on Currently Available Economic Relief

**\*\* Certain criteria must be met for each program \*\***

→ Applicant for → ↓ Recipient of ↓	PPP	Shuttered Venue Operators Grant	COVID-19 Economic Injury Disaster Loan
PPP	First Draw PPP borrowers may be eligible to apply for Second Draw PPP loans	May apply if received a PPP loan <b>prior</b> to applying for SVOG. If PPP loan received after Dec. 27, 2020, the amount will be deducted from SVOG.	May apply for EIDL; can't be used for the same purpose/costs as PPP
Shuttered Venue Operators Grant	May not apply for a PPP loan after receiving SVOG	May be eligible to receive a supplemental SVOG	May apply for EIDL; can't be used for the same purpose/costs as SVOG
COVID-19 Economic Injury Disaster Loan	May apply for PPP; but can't be used for the same purpose/costs as EIDL	May apply for SVOG; but can't be used for the same purpose/costs as EIDL	The same business can't apply for more than one EIDL



# New Programs per the American Rescue Plan Act

## Relief & assistance for the hardest-hit industries and businesses

### Supplemental Targeted Advance Payment: [SBA.gov/targetedadvance](https://www.sba.gov/targetedadvance)

- A \$5 billion fund for \$5,000 payments to those hardest hit

### Restaurant Revitalization Fund

- A \$28.6 billion fund for eligible entities in this hard-hit industry
- Maximum \$5 million grant/location and aggregate maximum \$10 million grant.

### Community Navigator Pilot Program: [SBA.gov/navigators](https://www.sba.gov/navigators)

- \$100 million for grants to eligible organizations supporting efforts to improve access to COVID-19 pandemic assistance programs and resources
- \$75 million to support outreach efforts, including the creation of a telephone hotline for information and referral services



# Key Takeaways

## Loan Programs

## Payment & Grant Programs



Paycheck  
Protection  
Program



Debt Relief on  
SBA 7(a), 504  
and Microloans



Economic Injury  
Disaster Loan, Targeted  
EIDL Advance and  
Supplemental Targeted  
Advance



Shuttered Venue  
Operators Grant  
and Restaurant  
Revitalization Fund

# SBA COVID-19 Program Funding in VT

SBA COVID Programs in VT	# loans/grants	\$ funded
PPP 2020	12,401	1,202,175,929
PPP 2021	8,146	534,045,696
EIDL Loans 2020 + 2021 as of 2/16/21	6,420	353,191,010
EIDL Advances 7/15/20	11,425	35,587,000
Targeted EIDL Advance		
Section 1112 payments		
Shuttered Venue Op Grant		
Restaurant Revitalization Fund		
Community Navigator		
<b>Total funding in VT from SBA COVID-19 programs</b>		<b>2,124,999,635</b>