

The Certified Public Accounting Firm of David M. Spitzberg

404B Huntingdon Pike
Rockledge, PA 19046

Tel: (800) 789-5355
Fax: (844) 331-3180

Web: www.CPAforBusiness.com
E-Mail: info@CPAforBusiness.com

Coronavirus Aid, Relief and Economic Security Act (CARES Act)- Economic Injury Disaster Loans (EIDL)/ EIDL Grants- First Rough Draft

- 1) ***Covered Period is January 31, 2020 to December 31, 2020.***
- 2) ***Eligible Entity*** includes
 - a) a business with no more than 500 employees
 - b) any individual operating as a sole proprietorship, with or without employees, or as an independent contractor
- 3) During the ***Covered Period, Eligible Entities*** are eligible for a Small Business Administration loan in response to COVID-19.
- 4) No personal guarantees on advances and loans up to \$200,000.00 during the ***Covered Period.***
- 5) No requirement that the business must have existed for 1 year before the disaster, but business must have been operating on January 31, 2020.
- 6) No requirement that an applicant be unable to obtain credit elsewhere.
- 7) ***For Small Dollar Loans (Up To \$350,000.00), An applicant may be approved solely based upon the applicant's credit score without a requirement to submit a tax return or tax return transcript. If not, alternative methods can be utilized to determine an applicant's ability to pay.***
- 8) During the ***Covered Period***, an applicant requesting a loan due to COVID-19 may request ***Up To A \$10,000.00 advance (Emergency Grant) to be provided within 3 days after the loan application is submitted.***
- 9) Use Of ***Advance (Emergency Grant)*** Includes
 - a) providing sick pay leave to employees due to direct effect of COVID-19
 - b) maintaining payroll to retain employees during business disruptions or significant slowdowns
 - c) paying increased costs to obtain materials not available from original sources
 - d) making rent and mortgage payments
 - e) repaying obligations that can't be met due to revenue losses
- 11) ***An applicant will not be required to repay any part of the Advance (Emergency Grant) even if later denied a loan.***
- 12) If approved for a loan, the loan forgiveness amount for a loan for payroll costs will be reduced by the ***Advance (Emergency Grant)*** amount.