



## Coronavirus Aid, Relief, and Economic Security (CARES) Act

### Payment Protection Program and Loan Forgiveness

- The Payment Protection Program provides \$350 billion for 100 percent federally-guaranteed loans for 8 weeks of assistance to small businesses, as well as 501(c)(3) and 501(c)(19) nonprofits. Sole-proprietors, independent contractors, and other self-employed individuals are also eligible for these loans.
  - Loans can be forgiven when used for payroll costs, interest on mortgage obligations, rent, and utilities.
  - SBA-certified lenders and non-SBA lenders would be authorized to make Payment Protection loans. All lenders participating in the Payment Protection Program, including banks, credit unions, and other financial institutions will be moved to delegated authority which allows lenders to process loans quickly without SBA approval.
  - The Secretary of the Treasury would have authority to work with the SBA to expedite the approval process and bring new lenders into the program.
- Maximum loan amount for SBA Express loans, which require less documentation and less paperwork, is increased from \$350,000 to \$1 million through December 31, 2020.
- Automatic deferral payments for six months where the SBA pays principal, interest, and fees on all SBA loan products.

### Entrepreneurial Development Programs

- Provides grants and funding to offer training, counseling, and assistance to small businesses affected by COVID-19.
  - \$240 million in grants to SBA resource partners, including Small Business Development Centers and Women's Business Centers.
  - \$25 million in grants for resource partner associations to provide online information and training.
  - \$10 million in funding for the Department of Commerce Minority Business Development Agency's Minority Business Centers.
- Allows for federal grant funds appropriated to the State Trade Expansion Program (STEP) in FY 2018 and FY 2019 to remain available for use through FY 2021.
  - Allows for state STEP participants to be reimbursed for events cancelled due to COVID-19, so long as the reimbursement amount does not exceed their federal grant amount.

### Emergency Economic Injury Disaster Loan (EIDL) Grants

- Expedites access to capital for small businesses who have applied for an SBA EIDL. Businesses could request an advance of up to \$10,000 on the loan to provide covered leave, maintain payroll, and pay debt obligations.