

# COVID-19 Small Business Emergency Relief Resources

The SBA is offering emergency relief programs for small businesses and nonprofits affected by the COVID-19 situation. The Paycheck Protection Program (PPP) is a result of the unanimously passed Coronavirus Aid, Relief and Economic Security (CARES) Act on March 25, 2020. Prior to passage of the CARES Act, the SBA began offering the Economic Injury Disaster Loan (EIDL). German American Bank is certified by the Small Business Administration and can assist you with your emergency relief needs. Our business bankers are available to discuss your options to determine the best fit for your unique situation and to help you in the preparation and submission of your application to the SBA.

Paycheck Protection Program (PPP)	
The PPP is a federally guaranteed loan which provides cash flow assistance to small business and nonprofit employers who maintain their payroll during the emergency. Companies with 500 employees or fewer that were operational February 15, 2020 are eligible to participate. All or a portion of the loan proceeds may be forgiven.	
<b>Loan Size</b>	Equal to 250% or 2.5x an employer's average monthly payroll (see page 2) up to \$10 million. Loan to be 100% guaranteed by SBA.
<b>Cost of Program</b>	No SBA or bank fees to the borrower. First payment deferred for six months.
<b>Interest Rate and Loan Term</b>	Interest rate of 1.0%; Maturity of 2 years for any unforgiven portion of the loan.
<b>Use of Proceeds</b>	Payroll costs, including benefits; interest on mortgage obligations; rent, under lease agreements; utilities.
<b>Debt Forgiveness</b>	The loan proceeds used to cover payroll costs, most mortgage interest, rent and utility costs over the 8 week period of the loan is made may be forgiven. Debt forgiveness may be reduced if an employer reduces workforce or wages.
<b>Collateral &amp; Guarantees</b>	No collateral or personal guarantees required.

Economic Injury Disaster Loan Program (EIDL)	
The EIDL program is a direct SBA loan designed to provide small businesses with expedited working capital loans of up to \$2 million for vital economic support.	
<b>Loan Size</b>	Up to \$2 million available with the specific amount determined by the SBA based on review of applicant financials, credit and collateral.
<b>Interest Rate and Loan Term</b>	Interest rates are maximum of 3.75% for a for-profit company, and 2.75% for a non-profit, with a maximum loan term of 30 years.
<b>Grant</b>	Emergency grant of up to \$10,000 is available with these funds being made available within 3 business days.
<b>Use of Proceeds</b>	The proceeds may be used for fixed debt, payroll, accounts payable and other costs.

Applicants cannot receive duplicate funds for both PPP and EIDL to cover the same losses.

Learn more about the EIDL program by visiting the SBA's website at: [www.sba.gov/page/disaster-loan-applications](http://www.sba.gov/page/disaster-loan-applications)

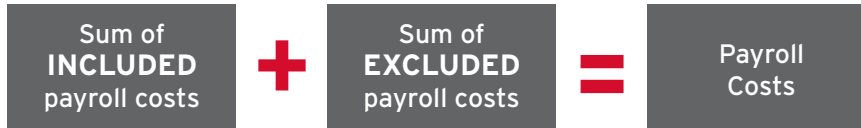




## How much can I **BORROW** through PPP?

Loans can be up to 2.5 x the borrower's average monthly payroll costs, not to exceed \$10 million.

## How do I calculate average **MONTHLY PAYROLL COSTS**?



### **INCLUDED PAYROLL COSTS**

**For Employers:** The sum of payments of any compensation with respect to employees that is a:

- Salary, wage, commission, or similar compensation;
- Payment of cash tip or equivalent;
- Payment for vacation, parental, family, medical, or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits.
- Including insurance premiums
- Payment of any retirement benefit
- Payment of state or local tax assessed on the compensation of the employee

**For Sole Proprietors, Independent Contractors, and Self-Employed:**

The sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a wage, commission, income, net earnings from self-employment, or similar compensation and that is in an amount that is not more than \$100,000 in one year, as pro-rated for the covered period.

### **EXCLUDED PAYROLL COSTS**

- Compensation of any individual employee in excess of salary of \$100,000 on an annualized basis for employee
- Any compensation of an employee whose principal place of residence is outside of the United States
- Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act; or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act

