



Business FAQs Regarding the CARES Act 2020

The final guidelines for processing and funding the emergency small business loans have not been issued. We will update these FAQs as more information becomes available.

What assistance is available for small businesses?

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small business during the economic downturn. This is known as the Paycheck Protection Program.

Is my business eligible?

You are eligible if you are:

- A small business with fewer than 500 employees
- A small business that otherwise meets the SBA's size standard
- A 501(c)(3) with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business
- A Tribal business concern that meets the SBA size standard

Special eligibility rules:

- If you are in the accommodation and food services sector (NAICS 72), the 500-employee rule is applied on a per physical location basis
- If you are operating as a franchise or receive financial assistance from an approved Small Business Investment Company the normal affiliation rules do not apply

How much can my business borrow?

The maximum amount of the loan can be up to 2.5 x the borrower's average monthly payroll costs, not to exceed \$10 million.

I have a new business, do I qualify?

The business must have been in operation on or before February 15, 2020 and had employees for whom they paid salaries and payroll taxes or paid independent contractors.

What will lenders be looking for?

Lenders will be asking for a good faith certification that:

- The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
- The borrower will use the loan proceeds to retain workers and maintain payroll or make mortgage, lease, and utility payments