

## Funding Options for Small Businesses to Address COVID-19

Details	Economic Injury Disaster Loan	Paycheck Protection Program
<b>Originator</b>	Small Business Administration (Direct)	Bank, Credit Union, or a Technology Lender that is SBA approved and does SBA 7(a) Loans
<b>Where can I apply for the loan?</b>	<a href="https://covid19relief.sba.gov/#/">https://covid19relief.sba.gov/#/</a>	A banking institution where you have an existing relationship or contact us for a referral.
<b>What businesses are eligible?</b>	Small businesses with 500 or less employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organizations or veterans organizations. Must have been in business by January 31, 2020.	Small businesses or 501(c)(3) organizations with 500 or less employees, 501(c)(19) veteran's organizations, sole proprietors or independent contractors. Must have been in business by February 15, 2020.
<b>Maximum Loan Amount</b>	\$2 million (determined by the SBA based on gross revenue and cost of goods sold in the previous year). Applicants can request up to \$10,000 in advance, which will be distributed within 3 days. Applicants are not required to pay back the loan advance if they are denied a loan.	Lesser of 2.5x average monthly payroll costs of last 12 months OR \$10 million
<b>Loan Forgiveness?</b>	Yes, on up to \$10,000 of the loan advance as long as the funds are used for: <ul style="list-style-type: none"> <li>• COVID-19 related sick leave,</li> <li>• payroll increased costs,</li> <li>• rent/mortgage, or</li> <li>• obligations that cannot be met due to revenue losses.</li> </ul>	Yes, on the principal portion of the loan for the eight week period after you get the loan that covers: <ul style="list-style-type: none"> <li>• payroll costs (must be 75% of amount forgiven),</li> <li>• interest on a mortgage,</li> <li>• rent, and</li> <li>• utilities.</li> </ul> <b>Note:</b> Forgiveness subject to certain requirements involving employee retention.
<b>Annual Interest Rate</b>	3.75% for businesses and 2.75% for non-profits	Fixed 1% on any remaining balance after forgiveness
<b>Terms</b>	Up to 30 years	2 years for any balance not forgiven
<b>First Loan Payment Due</b>	1 year after origination date	6 months after origination date
<b>What Can the Loan Be Used For?</b>	Expenses that could have been met if the disaster not occurred	Payroll, healthcare premiums, insurance premiums, mortgage payments, rent, utilities, and other debt
<b>Collateral or Personal Guarantee?</b>	Collateral required for loans over \$25,000. Personal guarantee for loans above \$200,000.	No collateral or personal guarantee required.
<b>How Long Will the Loan Take?</b>	2-3 weeks plus 5 days for funding	First disbursement of the loan will occur no later than 10 calendar days from the date of loan approval.

## OUR TEAM



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Ken is admitted to practice in North Carolina and the U.S. Supreme Court.

Ken Lewis is a member in the Corporate and Tax Practice Group, based out of the firm's Raleigh office. Ken represent clients in mergers, acquisitions, and sales of businesses, and in the formation of strategic alliances. He also is well versed in domestic and international commercial transactions and have advised clients in all aspects of corporate and real estate finance, including representing lenders, borrowers, and investors in negotiating and documenting debt and equity transactions.



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Yolanda N. Davis is an associate in the Corporate and Tax Practice Group, based out of the firm's Charlotte office. She supports corporate clients in transactional matters including corporate governance, compliance, entity structure and formation, and commercial agreements with emphasis on small businesses and nonprofit and exempt organizations. Her practice also includes areas of economic development and banking and finance (SBA Lending Group).

Prior to joining Nexsen Pruet, Yolanda spent more than a decade in the accounting and nonprofit industries as a consultant, and the real estate industry as a Realtor®/Broker licensed in North and South Carolina.



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Brian Lewis is an associate in the Corporate and Tax Practice Group, based out of the firm's Raleigh office. Brian regularly evaluates complex property tax matters in preparation for filing appeals with the North Carolina Property Tax Commission. Brian's evaluations focus on commercial real estate, including manufacturing facilities, high-rise apartment complexes, enclosed malls, and strip centers.



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Ashleigh is admitted to practice in North Carolina, Florida, and the U.S. District Court, Southern District of Florida.

Ashleigh M. Greene is an associate in the Corporate and Tax Practice Group, based out of the firm's Greensboro office. She supports corporate clients in transactional matters including leasing, purchasing and selling commercial real estate, corporate governance, compliance, structure and formation, lending and other commercial agreements. She advises in-house counsel on corporate transactions and litigation matters.

Prior to joining Nexsen Pruet, Ashleigh worked in retail banking assisting clients with, among other things, loan applications.