

Act Now - SBA Loans Available

Related Professionals

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04.06.2020

Economic developers should alert any qualified businesses in their area to take advantage of the SBA loans that became available as of today. Any interested business should move very fast to inquire about and apply for one of these loans. It is anticipated that there will be overwhelming demand.

KEY POINTS

- **Eligibility:** Businesses with less than 500 employees, which are remaining open and paying their employees during this COVID-19 period (starting February 15, 2020)
- **Maximum Loan Amounts:** Lesser of 2.5 times the average monthly payroll of the business measured over twelve months or \$10,000,000.
- **Use of Loan:** Employee costs, (e.g. wages, commissions or other compensation; health care benefits; sick, medical or family leave), mortgage payments, rent, utilities, or payments on other debts incurred before the covered period.
- **Deferment:** Payment deferments of between six and twelve months.
- **Forgiveness of Loan:** Loan will be forgiven for costs incurred and payments made for payroll costs, interest on mortgages, rent, and utilities, if all employees maintained on the payroll. There will be a reduction in the forgiven amount of the debt if less than 100% of employees are maintained on the payroll.
- **Where to Apply:** Any FDIC insured bank or credit union. It would probably be best to start with the bank with which the business has its accounts.

Nexsen Pruet has attorneys who are extremely well informed on this loan program. Please contact Ernie Pearson at epearson@nexsenpruet.com for further information.

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