

# Businesses Have COVID-19 Worries; These Resources Can Help

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With numerous measures now in place at the federal, state and local levels, the following are some of the latest resources available to walk businesses through the relief programs enacted, including under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act").

### *Financial Assistance Targeted for Small Businesses*

**Do I qualify as a small business?** With some exceptions, a small business eligible under the CARES Act has 500 or fewer employees. Small businesses include sole proprietorships, independent contractors and self-employed persons, private non-profits and 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

**I'm a small business, where do I begin?** Upon passing the CARES Act, the Senate Committee on Small Business & Entrepreneurship [published this guide](#) to help companies in need get started. Take a look at page one of the guide for a brief list of questions to point you in the right direction.

**What kinds of emergency SBA loans are available?** Now is the time to know your options: beginning today, April 3, 2020, small businesses may begin applying for forgivable loans under the Small Business Association's ("SBA's") Paycheck Protection Program, on a first come, first served basis. Other loans are already available through the SBA:

- The **Paycheck Protection Program** under the CARES Act offers loans to small businesses, with forgiveness options based on employee retention and other factors. Beginning on April 3, 2020, small businesses and sole proprietorships may apply for loans to cover payroll and other qualifying expenses through existing SBA lenders. On April 10, 2020, independent contractors and self-employed individuals are eligible to apply. You can begin [preparing your application](#) now.
- The **Economic Injury Disaster Loan ("EIDL")** offers up to \$2 million as a working capital loan, at a rate of 3.75% for businesses and 2.75% for nonprofits, with up to a 30-year term. Payments are deferred for up to one year and up to \$200,000 can be approved without a personal guarantee. For loans of more than \$25,000, business assets are used for collateral instead of real estate. Now under the CARES Act, eligible applicants for an EIDL can receive a \$10,000 emergency grant that will be made available within three days of a successful application and will not have to be repaid. Applicants [begin the process](#) on the SBA website.
- The **Express Bridge Loan Pilot Program** allows small businesses who currently have a business relationship with an SBA Express Lender to receive up to \$25,000 to bridge the gap while applying for a direct EIDL. The bridge loan will be repaid in part or in full with EIDL funds.

**Debt relief for existing SBA loans.** Small businesses already benefiting from SBA loans may be eligible for debt relief under the CARES Act. The SBA will pay the principal and interest of new 7(a) loans issued prior to September 27, 2020; and will pay the principal and interest of current 7(a) loans for a period of six months. Applications for this relief are not yet available.

The SBA is expected to issue final regulations on these programs in the coming days. Visit the [SBA website](#) for the latest updates and a comprehensive overview of the federal programs discussed above.

In addition to these federal benefits, many states have additional relief programs available.

### *Employee and Workplace Issues*

**Business responsibilities to employees.** The CARES Act's loan and forgiveness programs are welcome relief to employers in light of other pressures they now face, including new responsibilities to offer paid leave under the Families First Coronavirus Response Act (the "FFCRA"). [Read more on the details about how to comply with the FFCRA.](#)

**Safety in the COVID-19 Era.** Everyday responsibilities to keep workplaces clean and safe are also changing. Here, [the CDC provides Guidance for Businesses and Employers.](#)

### *Tax Considerations*

**Employer Tax Benefits.** Businesses may consider seeking tax relief through the Employee Retention Tax Credit, or seek a refundable tax credit for the required paid leave under the FFCRA. The IRS has published FAQs on [employee retention credits](#) and [tax credits for required paid leave](#) provided by small and midsize businesses.

**Other coronavirus tax measures.** The IRS has taken other measures to address the concerns of tax filers needing to work-from-home. For example, the IRS has issued temporary measures to accept electronic signatures and email document transmission.

Mitchell Williams will continue to publish updates on these and other business, borrowing, lending, employment, landlord/tenant and tax questions that are new to the coronavirus era.