



SBA Disaster Relief Overview

sba.gov/relief

SBA COVID-19 Economic Aid Funding Options

Loan Programs

Grant Programs



Paycheck
Protection
Program
(PPP)



Debt Relief on
SBA 7(a), 504
and Microloans



Economic
Injury Disaster
Loan (EIDL)
and
Targeted EIDL
Advance



Shuttered
Venue
Operators
Grant (SVOG)

What is a First Draw PPP Loan?

For eligible applicants that did not receive a PPP loan prior to Aug. 9, 2020

- PPP loan eligibility now includes additional types of entities
- Covered eligible expenses are expanded
- Borrowers can set the covered period to use PPP loan proceeds to be any length between 8 and 24 weeks after disbursement
- Must have been in business by Feb. 15, 2020
- Must apply to a participating lender **on or before March 31, 2021**, or until Congressional appropriations are exhausted.



SBA.gov/PPP

First Draw PPP Loan Eligibility

Must comply with size standards, eligibility criteria & certain limitations

Newly Eligible

- Housing cooperatives
- Destination marketing organizations
- Certain 501(c)(6) organizations such as Chambers of Commerce
- Eligible news organizations

Still Eligible

- Sole proprietors, independent contractors, self-employed individuals
- Business entities (e.g., partnerships, corporations, LLCs)
- 501(c)(3) non-profit organizations
- 501(c)(19) Veterans organization
- Tribal businesses



SBA.gov/PPP

Information Current as of 2/5/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

What is a Second Draw PPP Loan?

For borrowers that previously received a PPP loan, have 300 employees or less, and suffered a 25% reduction in gross receipts

- For most borrowers, the maximum loan amount of a Second Draw PPP loan is 2.5x average monthly 2019 or 2020 payroll costs, up to \$2 million.
- For borrowers in the Accommodation and Food Services sector (NAICS 72), the maximum loan amount for a Second Draw PPP loan is 3.5x average monthly 2019 or 2020 payroll costs, up to \$2 million.
- Second Draw PPP loan applicants must submit the required information to a participating lender.



SBA.gov/PPP



Schedule C Filers

Revisions to Loan Amount Calculation

First and Second Draw PPP Loans

- These revisions are not retroactive
- SBA began accepting new applications for Schedule C filers on Friday, March 5, 2021

Paycheck Protection Program (PPP)

Owner Compensation

Why is “Owner Compensation” important? The new definition of owner compensation allows applicants to use either net profit or gross income in its calculation of total payroll costs.

Schedule C filer - no employees: Owner compensation is either gross income (line 7) *or* net profit (line 31)

Schedule C filer – with employees:

Owner compensation:

- Net profit (line 31); *or*
- Gross income (line 7) minus:
 - Line 14 (Employee benefit programs)
 - Line 19 (Pension and profit-sharing); and
 - Line 26 (Wages less employment credits)

Owner compensation does not include employee payroll costs (this is why lines 14, 19, & 26 are subtracted from gross income to determine owner calculation)

Owner compensation + employee payroll costs (from Form 941) = total payroll costs

Information Current as of 2/5/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

Paycheck Protection Program (PPP)

SBA Review of Good Faith Loan Necessity Certification

- First Draw PPP Loans:
 - If using gross income ***and*** the borrower reported more than \$150,000 in gross income on the Schedule C used to calculate loan amount:
 - SBA may review Borrower's certification concerning the necessity of the loan and whether the borrower complied with PPP eligibility criteria
 - If a loan is picked for review, the review will follow the same processes that apply to all other PPP loan reviews
 - Safe harbor applies if using:
 - Gross income ***and*** the Borrower reported \$150,000 or less in gross income on the Schedule C used to calculate loan amount; or
 - Net income
- Second Draw PPP Loans: Safe harbor applies because Applicants are required to certify that they had a reduction of gross receipts by at least 25%

PPP Loan Application Process



1. Find a PPP Lender

- SBA.gov/LenderMatch
- SBA.gov/PaycheckProtection/find
- Contact SBA Resource Partner: SBA.gov/local-assistance

2. Complete Application

- Include all supporting documentation
- Get help from SBA Resource Partner: SBA.gov/local-assistance

3. SBA Issues Loan

- Lender submits application electronically to the SBA for compliance check & loan number

March 31, 2021 (or when appropriated funding is exhausted) is the final deadline for lenders to submit PPP loan applications to the SBA



SBA.gov/PPP

Information Current as of 2/5/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

PPP Loan Forgiveness

**Borrowers must apply for PPP loan forgiveness through their lender;
lenders submit lender forgiveness decisions to the SBA**

Updates per the Economic Aid Act

- EIDL Advances are no longer deducted from PPP loan forgiveness payment
- Expenses paid with PPP loan funds are federally tax deductible; **consult the IRS** for details on this
- **New:** simplified forgiveness application for PPP loans \$150,000 and under

Per the CARES Act

- Forgiven PPP loans are not federally taxable income



SBA.gov/PPP

PPP Loan Terms / Maturity

If the PPP loan is not 100% forgiven

PPP loans have:

- A fixed interest rate of 1% that is non-compounding and non-adjustable
- No requirement for collateral or personal guarantees
- No fees or prepayment penalties
- A five-year maturity (for those before June 5, 2020, it's two years; borrowers can ask their lender to extend to five years)
- Payments start once borrower knows how much of the PPP loan will be forgiven; lender will notify the borrower
- If borrowers do not apply for forgiveness, payments start 10 months after the last day of the covered period



[SBA.gov/PPP](https://www.sba.gov/ppp)

COVID-19 Economic Injury Disaster Loan (EIDL)

Provides economic aid to businesses experiencing a temporary loss of revenue due to COVID-19

Economic Aid Act Extends Deadline to Dec. 31, 2021

- **Use of proceeds:** working capital and normal operating expenses such as continuation of health care benefits, rent, utilities, fixed debt payments
- **Terms:** 3.75% for businesses (fixed), 2.75% for nonprofits (fixed), 30 years, no pre-payment penalty; loans over \$25,000 secured by UCC filing (\$100 deducted from loan proceeds)
- **Eligibility:** qualified small businesses, cooperatives and agricultural enterprises with 500 or fewer employees (or defined as small per [sba.gov/sizestandards](https://www.sba.gov/sizestandards)), and private non-profits



[SBA.gov/Disaster](https://www.sba.gov/Disaster)

New Program: Targeted EIDL Advance

No action required until contacted by the SBA via direct email invite

New Program in the Economic Aid Act

- Will balance out a previous EIDL Advance to the full \$10,000 if the business is: 1) in a low-income community; 2) suffered greater than 30% economic loss; and 3) has 300 or fewer employees
- Those who applied for an EIDL Advance but didn't receive funds due to lack of funding will receive a full \$10,000 if they meet same requirements above and per Targeted EIDL Advance funding availability
- The **SBA will reach out to those who may qualify** via email with instructions to determine eligibility and submit documentation.



New Program: Shuttered Venue Operators Grant

Applications not yet open; will need SAM.gov registration to apply

Eligible Entities

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization and motion picture theater operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Talent representatives
- Up to five business entities owned by an eligible entity that also meet the eligibility requirements

Plus ...

- Must have been in operation as of Feb. 29, 2020



SBA-Backed Loan Debt Relief

Program for 7(a), 504 and Microloan Borrowers Only

- Assistance varies based on when the SBA-backed loan was approved and by type of loan (7(a), 504 and/or Microloan).
- Borrowers do not need to apply for this debt relief; the SBA provides it automatically.
- Letters have been distributed to eligible borrowers; a sample letter can be found at www.sba.gov/coronavirusrelief > Debt Relief > Sample Section 1112 Borrower Letter
- Contact your lender with debt relief questions



SBA-Backed Loans

- Fee waivers on all new loans through 9/30/2021
- SBA will make the first 3 monthly payments on all new loans approved after 2/1/2021.
- Incentives for lenders:
 - 90% guaranty on 7(a) loans
 - SBA Express max loan amount increased to \$1MM and 75% guaranty up to \$350,000.
- Contact your lender to apply



Key Takeaways

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SCORE New Hampshire

- Provides free business mentoring and advice
- Offers low or no cost local and online business training
- Shares free business resources, templates, and solutions 24/7 at score.org
- Guides existing small business with online business assessment tool
- Offers virtual webinars for businesses in all regions

Mentoring Locations & Contact Info:

Merrimack Valley
 Mt. Washington Valley
 Upper Valley
 Monadnock Region
 Lakes Region
 P: 603-666-7561
 E: Info@score.org

Seacoast
 P: 603-433-0575
 E: info@scorehelp.org

For more information, please visit
<https://www.scorenh.org/>



**Center for Women & Enterprise
NH Women's Business Center**

- Delivers education & training programs both in-person and online at no or low cost on many business topics including start-up, financing, marketing, and more
- Supports financial education
- Creates networking opportunities
- Provides cost-free, one-on-one confidential business advising statewide

For more information, please visit:
<https://www.cweonline.org/>

For Schedules & Appointments:
 603-318-7580
Info.NewHampshire@CWEonline.org



Veterans Business Outreach Center of New England

- Training & mentoring to service members and military spouses
- Technical and financial skill development

To request counseling:
<https://sba-vboc.ecenterdirect.com/signup>
 or
 Call: 401-427-6536



NH Small Business Development Center

- Fulltime Certified Business Advisors provide one-on-one, confidential, advising services at no cost to NH enterprises
- e-Learning program offers more than 20 e-courses on small business topics
- Business Sustainability Program helps businesses create best management practices to reduce operational risk and increase profitability

Business Advising Centers:

Belknap & Grafton Counties
 Laconia & Plymouth

Cheshire & Sullivan Counties
 Keene

Merrimack Valley Region
 Manchester & Nashua

North Country Region
 Multiple satellite locations

Seacoast Regional Office
 Dover, Portsmouth & Wolfeboro

Contact SBDC today to schedule a call or a one-on-one meeting with a Certified Business Advisor.

nhsbdc.org
nh.sbdc@unh.edu
 603-862-2200



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SBA Links & Contacts



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Call: (603) 225-1400



www.sba.gov/relief - all economic aid options

Questions

