



Coronavirus Economic Aid Programs

January 27, 2021

Agenda

- 1 Shuttered Venue Operators Grant
- 2 First Draw PPP Loans
- 3 Second Draw PPP Loans
- 4 Forgiveness Updates
- 5 Additional Aid and Other Resources



Congress intended this round of COVID relief funding for the hardest-hit small businesses and those in underserved segments, including women, minorities and veterans.

Where We Are

The SBA is working expeditiously to identify changes to program rules, forms, and processes as laid out in the legislative text, and to appropriately update guidance and systems for the emergency relief programs that the SBA will administer. The agency is also committed to ensuring that the relief programs are launched as quickly as possible to deliver critical economic aid to America's small businesses



Coronavirus Relief Options We'll Discuss Today



SVO Grant Program



Paycheck Protection Program



COVID-19 EIDL



Shuttered Venue Operators Grant (SVOG): Program Details

- \$15 billion in grants
- 45% of gross earned revenue
- Maximum of single grant is \$10 million
- \$2 million reserved for applications with up to 50 FTEs



SVOG: Who Can Apply

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

Must have been in operation as of Feb. 29, 2020; venue or promoter must not have received a PPP loan on or after December 27, 2020



SVOG: Amount of Grant

For an eligible entity in operation **on** January 1, 2019:

Grants will be for an amount equal to 45% of their 2019 gross earned revenue

OR

\$10 million, whichever is less.

For an eligible entity that began operation **after** January 1, 2019:

Grants will be for the average monthly gross revenue for each full month you were in operation during 2019 multiplied by six (6)

OR

\$10 million, whichever is less.



SVOG: Allowable Use of Funds

- Payroll costs
- Rent payments
- Utility payments
- Scheduled mortgage payments
(not including prepayment of principal)
- Scheduled debt payments
(not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 02-15-20)
- Worker protection expenditures
- Payments to independent contractors
(not to exceed \$100K in annual compensation per contractor)
- Other ordinary and necessary business expenses, including maintenance costs
- Administrative costs
(incl. fees and licensing)
- State and local taxes and fees
- Operating leases in effect as of 02-15-20
- Insurance payments
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production
(May not be primary use of funds.)

SVOG: How to Apply

The SBA is not yet accepting applications

First Priority

1st 14 days of grant awards

Entities that suffered a **90% or greater** revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

Second Priority

Next 14 days of grant awards

Entities that suffered a **70% or greater** revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

Third Priority

Beginning 28 days after 1st & 2nd Priority Awards are made

Entities that suffered a **25% or greater** revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

Supplemental Funding

Available after 1st & 2nd Priority

Recipients of First and Second Priority round who suffered a 70% or greater revenue loss for the most recent calendar quarter (*as of 04-01-21 or later*)

Shuttered Venue Operators Grant (SVOG)

More information

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



Paycheck Protection Program Key 2021 Dates

- **Jan. 11:** PPP opened for First Draw PPP loan applications from Community Financial Institutions
- **Jan. 13:** PPP opened for Second Draw PPP loan applications from CFIs
- **Jan. 15:** PPP opens for First and Second Draw applications to lending institutions with \$1 billion or less in assets
- **Jan. 19:** PPP opens First and Second Draw applications to all other participating lending institutions
- **March 31:** All PPP applications must be submitted

What is a CFI?

Community Financial Institutions include:

- Community Development Financial Institutions
- Minority Depository Institutions
- Certified Development Companies
- Microloan Intermediaries



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 now select a covered period to use PPP loan proceeds anytime between 8 and 24 weeks after disbursement.
- Certain borrowers may request an increase to their original PPP loan amount.
- Must apply on or before March 31, 2021, or until Congressional appropriations expire.



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

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



Information current as of 1/27/21 – 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 information on **SBA Form 2483-SD** (Borrower Application) when applying to their lender.



Second Draw PPP Loan Eligibility

Must have previously received a First Draw PPP loan

Additional Eligibility Criteria

- Has used or will use the full First Draw PPP loan amount only for eligible expenses before the PPP Second Draw Loan is disbursed
- Has no more than 300 employees
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.



PPP Loan Forgiveness

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

Updates per the Economic Aid Act

- EIDL Advances are no longer deducted from forgiveness payment.
- Forgiven PPP loans are not taxable income; expenses paid with PPP loan funds are now tax deductible; **consult the IRS** for details
- Expanded forgivable expenses are permissible for any PPP loan not already forgiven.
- **Now available:** simplified forgiveness application for PPP loans \$150,000 and under.



What to do Now & Additional Resources

What to do Now

- Contact your lender
- If you do not have a lender, find one on Lender Match: sba.gov/LenderMatch
- Eligible PPP Lender Map: sba.gov/paycheckprotection/find
- Visit www.sba.gov/ppp for the most up-to-date documents

Additional Resources

- Contact your local SBA District Office or Resource Partner: sba.gov/local-assistance
- Subscribe to SBA e-newsletter: www.sba.gov/updates

COVID-19 Economic Injury Disaster Loan (EIDL)

Deadline extended to Dec. 31, 2021

PURPOSE	To meet financial obligations and operating expenses that could have been met had the disaster not occurred
TERMS	3.75% for businesses (fixed) 2.75% for nonprofits (fixed) 30 years No pre-payment penalty or fees
USE OF PROCEEDS	Working capital and normal operating expenses <i>Example: continuation of health care benefits, rent, utilities, fixed debt payments</i>
FORGIVABLE	No



COVID-19 EIDL: Items to Note

- Borrowers can apply for both the PPP and EIDL, although funds from both cannot be used for the same purpose
- **Who's eligible?**
 - Businesses with 500 or fewer employees as defined by SBA
 - Cooperatives with 500 or fewer employees
 - Agricultural enterprises with 500 or fewer employees
 - Most private nonprofits
 - Faith-based organizations
 - Sole proprietorships and independent contractors



COVID-19 EIDL

More information and apply online

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



Information current as of 1/27/21 – Visit www.sba.gov/coronavirusrelief for the most up-to-date information.

Targeted EIDL Advance

- Advance funds of up to \$10,000
- Available to applicants located in low-income communities who previously received an EIDL Advance for less than \$10,000; OR, those who applied but received no funds due to lack of available program funding.
- The SBA will reach out to those who qualify via email in the coming weeks with instructions to determine eligibility and submit documentation.

More information

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



Questions



Contact

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