



Schooner Group, Inc.

Bringing Smooth Sailing to Your Operations

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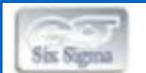
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SBA Programs For Businesses Impacted by Coronavirus (COVID-19)

These are very challenging times. Business owners are worrying about many things: the health and safety of their families, the safety of their workers, and the business weathering this storm.

The Small Business Administration is offering several programs to assist the business owner during these times. Below are highlights of programs available as of March 31, 2020. Programs are evolving daily and subject to change. [SBA Website](#) for the latest programs and information.

- σ Economic Injury Disaster Loan (EIDL)
<https://covid19relief.sba.gov/#/>
 - Small businesses that apply for an EIDL *now* can request a grant of up to \$10,000 for eligible costs that will be received within three days of applying. If you are denied an EIDL, and receive the grant, you are able to keep the grant money despite not qualifying for an EIDL.
 - If you applied for the EIDL prior to March 28, 2020, you will need to submit a new streamlined application and request the advance of up to \$10,000.

- σ Payroll Protection Program (PPL)
 - Provide small businesses 100% federally guaranteed loans.
 - Apply at any lending institution approved to participate in the program. Massachusetts providers here: [Lender List](#)
 - There is an opportunity to have PPLs forgiven if used for eligible payroll costs, rent, mortgage, or utilities.
 - Can apply up to 6 months after the Disaster Declaration on March 13, 2020.
 - Program covers the period beginning February 15, 2020 and ending on June 30, 2020.
 - Proceeds of this Loan are restricted to the following items:
 - payroll costs;

- costs related to group health care benefits during periods of paid sick, medical or family leave, and insurance premiums;
- employee salaries, commissions, or similar compensations;
- mortgage interest payments;
- rent;
- utilities; and
- interest on any other debt obligations that were incurred before the Covered Period.
- The maximum loan amount permitted for an eligible Covered Entity is an amount calculated based on a payroll formula that essentially equals 2.5x the average total monthly payroll cost incurred in the one-year period before the loan is made.
- The interest rates for loans borrowed by a Covered Entity under the program may not exceed four percent (4%).
- Any PPL that has a remaining principal balance after any applicable loan forgiveness (as covered in detail below) must have a maturity date no later than 10 years from the date on which the borrower applied for loan forgiveness.
- Payment Deferral
 - The SBA will direct lenders to defer all payments (principal, interest, and fees) otherwise due under a PPL for a minimum of 6 months and a maximum of 12 months.
- Collateral or Other Credit Support
 - A borrower will not be required to pledge any collateral or provide personal guarantees to secure or support a PPL.
- Loan Forgiveness (and Potential Reduction in the Forgiveness Amount)
 - During the 8-week period, beginning on the date a PPL is funded (the Forgiveness Period), a borrower will be eligible for forgiveness and cancellation of indebtedness for up to the full principal amount of such loan. The amount eligible for forgiveness (the Total Eligible Forgiveness Amount) is equal to the total costs incurred and payments made during the Forgiveness Period for (1) payroll, (2) mortgage interest, (3) rent, and (4) utilities.
 - The loan forgiveness amount available to a borrower is subject to reduction if the borrower terminates employees or reduces employee salary and wages during the Forgiveness Period. There is, however, relief from the forgiveness reduction if the borrower rehires employees or makes up for wage reductions by June 30, 2020.

- SBA Express Lenders provide expedited SBA-guaranteed bridge loan financing on an emergency basis in amounts up to \$25,000 for disaster-related purposes to small businesses located in communities affected by Presidentially-declared disasters while those small businesses apply for and await long-term financing (including through SBA's direct Economic Injury Disaster Loan Program, if eligible).
 - Check for Massachusetts providers here: [Lender List](#). The Lender must have an existing banking relationship with the EBL applicant as of the date of the applicable disaster.
 - Requires a minimum FICO Small Business Scoring Service Score (SBSS Score) of 130.
- σ SBA Debt Relief
- The SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020.
 - The SBA will pay the principal and interest of current 7(a) loans for a period of six months.

Schooner Group is ready to assist you during this unprecedented time. Call today to arrange a free virtual meeting to discuss your individual needs.