

TO: NAW Direct Members

FROM: NAW Government Relations Team

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SBA Paycheck Protection Act – The Small Business Administration and Department of Treasury have just released a joint statement that they “have initiated a robust mobilization effort of banks and other lending institutions to provide small businesses with the capital they need.” Further, “Treasury and the Small Business Administration expect to have this program up and running by April 3rd so that businesses can go to a participating SBA 7(a) lender, bank, or credit union, apply for a loan, and be approved on the same day.”

For more about the new Treasury/SBA actions, and links to relevant government websites, go to:

<https://home.treasury.gov/news/press-releases/sm961>

Ironically, the PPP loan application form is available on the Treasury Department website, but as of this writing not on the SBA site:

<https://home.treasury.gov/system/files/136/Borrower%20Paycheck%20Protection%20Program%20Application%20%28v1%29.pdf>

SBA Economic Injury Disaster Loan (EIDL) Loan program has been expanded to accommodate access to those loans in response to COVID-19, and a small business can apply for an EIDL loan on the SBA website now here:

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-2>

While that loan program has been expanded, there are still conditions a borrower must meet to qualify for an EIDL loan. You can read a good summary of both small business loan programs here:

<https://www.foley.com/en/insights/publications/2020/03/sba-loans-under-the-cares-act>

Economic Stabilization Fund: While no official guidance has been released, banking-sector experts are anticipating that the Fed will shortly announce the framework of a new program to facilitate their banks beginning to lend under the ESF. It is presumed that the Federal Reserve will purchase these bank loans, enabling the banks to continue lending and facilitating the “leveraging up” that the Treasury Secretary said could put as much as \$4 trillion into the economy.

Business Tax Relief under the CARES Act: The IRS has posted useful information on its website about the various tax components of the CARES Act (<https://www.irs.gov/coronavirus>) and the Senate Finance Committee has released a helpful FAQ document specifically on the Employee Retention Tax Credit: <https://www.finance.senate.gov/chairmans-news/cares-act-employee-retention-credit-faq>

Many thanks—

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