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# CARES Act Impact on Small Business

April 2, 2020

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# Opening Remarks



Kelly Brough

President & CEO

Denver Metro Chamber of Commerce

# Small Business Components of CARES Act



Thomas M. Sullivan  
Vice President, Small Business Policy  
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## Federal Stimulus Actions to Help Small Business Weather the Coronavirus Pandemic

MAJOR PROVISIONS | IMPLEMENTATION | RESOURCES

**Tom Sullivan**

Vice President

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U.S. Chamber of Commerce  
Small Business Policy



# THREE LAWS IN THREE WEEKS – WASHINGTON'S QUICK ACTION

- **Coronavirus Preparedness and Response Supplemental Appropriations Act (March 6, 2020)**
- **Families First Coronavirus Response Act (March 18, 2020)**
- **Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (March 27, 2020)**



# MAJOR PROVISIONS FOR EMPLOYERS

## All Employers

- Tax Changes
- Employee Retention Credit

## Larger Employers

- Loans, Loan Guarantees, Federal Reserve Credit Facilities

## Small Businesses, Self-Employed, Independent Contractors, & Non-Profits

- Paycheck Protection Program
- SBA Economic Injury Disaster Loans (EIDL)



# SMALL BUSINESSES, SELF-EMPLOYED, INDEPENDENT CONTRACTORS, NON-PROFITS

## SBA Economic Injury Disaster Loans

- SBA Disaster Loans with a 60-year history
- Small businesses & non-profits with fewer than 500 employees
- Self-employed & independent contractors
- Up to \$2 million working capital loan up to 30-year term
- 3.75 % rate with payments deferred up to 1 year
- Loans based on credit scores; no tax returns required
- \$10,000 emergency grant within 3 days that does not have to be repaid
- Interacts with Paycheck Protection Program
- Apply through SBA.gov
- Note: Small businesses that applied before March 30<sup>th</sup>, go to SBA.gov and Re-Apply for the \$10,000 Emergency Grant

The screenshot shows the SBA Disaster Loan Assistance application process. At the top right, it lists 'OMB Control #3247-0406' and 'Expiration Date: 09/30/2020'. The main heading is 'Disaster Loan Assistance' with the subtitle 'Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters'. Below this is the title 'COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION'. The process flow is shown as a series of steps: DISCLOSURES, BUSINESS INFORMATION, BUSINESS OWNERS INFORMATION, and ADDITIONAL INFORMATION. A fifth step, SUMMARY, is shown with a checkmark icon, indicating it is the current step. Below the flowchart, the text 'STREAMLINED PROCESS REQUIREMENTS' is visible.



# SMALL BUSINESSES, SELF-EMPLOYED, INDEPENDENT CONTRACTORS, NON-PROFITS

## Paycheck Protection Program

- \$349 Billion in loans for small business (generally less than 500 employees), 501(c)(3)s, self-employed, sole proprietors, and independent contractors
- Loans equal to the lesser of 2 ½ months of average payroll or \$10 million
- Loans by local and national lenders
- Minimal requirements (e.g. no collateral, no personal guarantee)
- Loans convert to grants equal to amount spent on payroll, rent, interest on mortgage, and utilities for the 8 weeks after origination
- Loan forgiveness is reduced proportionally if the employer reduces number of FTEs
- Loan forgiveness is reduced if employer reduces wages by more than 25%
- Employer can avoid reduction in forgiveness if they bring back employees and restore wages generally within 30 days and maintain through June 30





# SMALL BUSINESSES, SELF-EMPLOYED, INDEPENDENT CONTRACTORS, NON-PROFITS

## Paycheck Protection Program (PPP) BREAKING NEWS MARCH 31<sup>ST</sup>

- On Tuesday, March 31, 2020 the U.S. Department of Treasury released guidance for banks and borrowers
- Starting Friday, April 3<sup>rd</sup>, SBA 7(a) lenders can offer Paycheck Protection Program loans for small businesses
- Starting Friday, April 10<sup>th</sup>, SBA 7(a) lenders extend program to non-employer small businesses.
- Other lenders will be applying to SBA to participate. Ask your bank if they offer PPP loans.
- PPP loans have a 0.50% fixed rate and the loan is due in 2 years.



# LEARN MORE ABOUT THE PAYCHECK PROTECTION PROGRAM

## KEEP UP TO DATE

[www.uschamber.com/co](http://www.uschamber.com/co)

Prepared by the U.S. CHAMBER OF COMMERCE

## CORONAVIRUS EMERGENCY LOANS Small Business Guide and Checklist



The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn. Known as the Paycheck Protection Program, the initiative provides 100% federally guaranteed loans to small businesses.

Importantly, these loans may be forgiven if borrowers maintain their payrolls during the crisis or restore their payrolls afterward.

The administration soon will release more details including the list of lenders offering loans under the program. In the meantime, the U.S. Chamber of Commerce has issued this guide to help small businesses and self-employed individuals prepare to file for a loan.

Here are the questions you may be asking—  
and what you need to know.



U.S. Chamber of Commerce  
Small Business Policy



@SmallBizPatriot



# Tom Sullivan

Vice President

**Small Business Policy**  
**U.S. Chamber of Commerce**



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**Small Business Policy**



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# Overview of SBA Lending Options through CARES Act



Frances A. Padilla  
Colorado District Director  
U.S. Small Business Administration

# Closing Remarks



Kelly Brough

President and CEO

Denver Metro Chamber of Commerce



## **SMALL BUSINESS COVID-19 DISASTER RESPONSE HOTLINE**

303-860-5881

For additional information on EIDL loans, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

For additional information on the PPP, reach out directly to your current lender.

Visit [www.coloradosbdc.org/covid](http://www.coloradosbdc.org/covid) and [www.denverchamber.org/covid](http://www.denverchamber.org/covid) for more information and resources.

The Denver Metro SBDC and Denver Metro Chamber of Commerce does not process these loans, you will have to apply directly through the U.S. Small Business Administration or an approved lender. We will be here for our small businesses to help with the application process.

There are a lot of companies asking for a fee or a percentage of loans for assistance in filling out the forms, free help is out there. Reach out to your local SBDC for questions and to request free consulting. For people in Denver, they can reach out to [info@denversbdc.org](mailto:info@denversbdc.org). To find your local SBDC, visit [www.coloradosbdc.org](http://www.coloradosbdc.org).



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Thank you for joining us today!

**Next webinar**

Monday, April 6 from 12 PM to 1 PM MDT

**Topic**

Guide to Applying for Payroll Protection Program Loans

**Speaker**

Speaker is Mike O'Donnell, Executive Director,  
Colorado Lending Source

**Register:** [bit.ly/DMCCwebinar0406](https://bit.ly/DMCCwebinar0406)