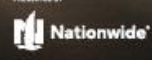


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## MIC Guide to COVID-19 Resources for Small Businesses

The \$2 trillion Coronavirus Aid Relief and Economic Security (CARES) Act was signed into law to provide relief to Americans and businesses during the COVID-19 crisis.

The information below relays critical support that is available for small businesses in the CARES Act.

### What's available

- Nearly \$350 billion in loan funds to help businesses make payroll and cover expenses from February 15 to June 30.
- SBA will provide loans up to 250% of an employer's average monthly payroll, capped at \$10 million.
- Interest on loans would be capped at 4%.
- Loan principal can be forgiven, but interest must be repaid. If an employer cuts workers or reduces pay, the amount of principal forgivable would be reduced proportionately
- Under this program, forgiven debt would not be treated as income.
- Bill waives most of the SBA's paperwork requirements and other prerequisites to get funds to businesses faster.
- Keep detailed records. Most required paperwork will come later, and businesses will need to document that they needed the loans and used them as intended when they apply for debt forgiveness.

### Loans can be used for

- Payroll support, including paid sick, vacation, medical, or family leave, retirement benefits, state or local tax, and costs related to the continuation of group health care benefits during those periods of leave.
- Employee salaries and wages up to a maximum annual rate of \$100,000.
- Commissions or similar compensation.
- Mortgage payments or rent, including rent under a lease agreement.
- Utilities and any other debt obligations that were incurred before the covered period.

### It does not cover

- Taxes imposed or withheld during the covered period
- Compensation of an employee whose principal place of residence is outside the U.S.

### **Am I eligible?**

The SBA generally defines small businesses as fewer than 500 employees. The CARES Act broadens the definition to include companies with 500 employees per location, meaning a powersports chain with 600 employees across 20 locations could qualify, as many franchisees meet this modified definition.

You can also determine if you qualify by clicking [here](#) and entering your NAICS code.

Small business owners in all U.S. states and territories are currently eligible to apply for a low-interest loan due to COVID-19.

### **How do I apply?**

Click [here](#) to apply for disaster loan assistance from the SBA. If you have questions or issues, you can contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

### **Borrower requirements**

- Business must have been in operation on February 15, 2020, and had employees, paid salaries, and payroll taxes (includes paid independent contractors as reported on a Form 1099-MISC).
- Borrower must make a good faith certification that current economic conditions make the loan request necessary to support ongoing operations.
- Borrower must acknowledge that funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments.
- Borrower cannot have an application pending for a loan for the same purpose and duplicative of amounts during the period beginning February 15, 2020, and ending December 31, 2020.

### **Helpful links**

[Who qualifies for SBA disaster assistance?](#)

[Am I qualified as a small business?](#)

[APPLY FOR SBA DISASTER ASSISTANCE](#)

[Find a local SBA district or regional office for assistance](#)

For additional resources and continued updates, check the [MIC COVID-19 Industry Resources & Updates](#) page.

### **Your MIC Team**