



San Diego

Updated by Liz Lem on 7/29/20

On 3/27/20 Congress passed CARES Act to help small businesses during the COVID-19 Economic Emergency. You can find updated information on The U.S. Department of Treasury Website [LINK](#) or go to SBA.gov [LINK](#)

4 most important parts for SCORE's Small Business Clients
To make an appointment with a SCORE mentor call 858-283-1100

1. The Paycheck Protection Program (PPP)
2. Asking for Forgiveness for the PPP loan
3. Economic Injury Disaster Loan program (EIDL)
4. Overcoming an SBA Denial letter for EIDL

(Information is provided as general guidance. Make an appointment with a SCORE mentor for current information and assess your business' specific needs. **The application forms are not very difficult to fill out.** Do not hire anyone to fill them out for you, SCORE and other non-profit resource arms of the SBA can help you.)

Summary: The spirit of the PPP and EIDL programs under the CARES act is to help keep people employed and businesses in business. As a small business owner, it's your responsibility to determine your immediate cash needs and to communicate to all your creditors that you are working on getting cash (aka working capital) to pay your bills.

Consider applying for both or either the PPP or EIDL programs to access cash at a low interest rates to pay your current bills. Keep in mind this is for working capital – cash to pay for your current bills. You can't apply to buy property or equipment. - **Applying for the loan doesn't mean you will get loan or have to take loan.**

1. **Paycheck Protection Program (PPP) –**

[Description of PPP](#)
[Information Sheet Borrowers](#)

Summary of PPP: a forgivable loan to pay employees. The application is two-pages and as of this writing is available until 08/08/20. Apply through your bank or ask for a referral to an approved SBA 7(a) lender. Your loan eligibility is the average of your last 12 months of payroll X 2.5. If you are approved, then **you are required to use 60% of the proceeds for payroll expenses.**

Fully Forgiven Funds the money you borrowed will be fully forgiven if you can appropriately document that it was used for payroll costs, interest on mortgages, rent, and utilities (**At least 60% of the forgiven amount must have been used for payroll**). No collateral or personal guarantees are required; there are no fees.

LINKS for PPP:

Sample PPP Application from SBA [LINK](#)

Useful document on CARES programs [LINK](#)

2. **Economic Injury Disaster Loan (EIDL)** - Is a loan directly from the Small Business Administration (SBA.) It's an easy application as long as you have your last twelve months of sales and net income and other basic business information. Each business is eligible for up to \$10,000 advance, \$1k per employee. Funds must be spent on working capital: inventory, equipment purchases, real estate payment and other operating expenses. **Not to be used for expansion.**) the interest rate is 3.75% for businesses and 2.75% for non-profits with loan maturities up to 30-years.

APPLY FOR EIDL NOW [LINK](#) ←ECONOMIC INJURY DISASTER LOAN

Useful document on CARES programs [LINK](#)