

CARES ACT RELIEF RESOURCES FAQ

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Is there a cheat sheet available on each of these programs comparing the differences?

- We recommend reviewing our [CARES Act Guide of Eligibility](#) to determine which programs your organization qualifies for and then comparing the differences among those programs using our fact sheets, which can be [found here](#).

What resources are available for my type of business?

- Check out our [CARES Act Guide of Eligibility](#) which includes a detailed list of resources available broken out by business classification including: small businesses, 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(9), 501(c)(19), states, nonprofits, franchises, corporations, airports and more.

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Where do I apply for each type of grant or loan? Are they all available to apply for now?

- Some of the new loan features are available, some are not. To find the most up to date information, please visit the SBA [here](#). You can use the site to find where to apply for the loans, but in general:
- **SBA Economic Injury Disaster Loan:** Apply with the SBA [here](#).
- **Paycheck Protection Program (Business Interruption Loans):** Apply through an authorized Bank or Credit Union beginning either April 3 or April 10, depending on your eligibility category. More information is available [here](#). You can find the list of SBA-approved lenders in each state or region [here](#).
- **SBA Express Loan:** Apply through an authorized Bank or Credit Union. You can find the list of SBA-approved lenders in each state or region [here](#).
- **Economic Stabilization Fund:** To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue guidance regarding applications for loans or loan guarantees under this program.
- **Community Development Block Grants:** Individuals, businesses, and nonprofits are not eligible for direct CDBG grants, but may receive subgrants through states, cities or counties. If you are interested in receiving a grant under this program, you will need to contact your local municipal or county officials to find out how the program operates in your area. To find out the list of local government entities in your area that receive and administer CDBG grants, please [click here](#). Funding opportunities are not yet available, but funding will be provided to eligible local municipal or county governments within 30 days and on a rolling basis thereafter.
- **Economic Development Assistance Program (EDAP) Grants:** A notice of funding opportunities and information on how to apply will be posted on the Economic Development Administration's website, which you can [find here](#). While these grants are not yet available, funding opportunities may be announced within the next 30 days (or by April 27, 2020).

What is the cap on each different type of loan?

Actual loan amounts are based on need (e.g. expenses, payroll, etc) and other requirements (e.g. collateral, risk, etc.), but the maximum size for each loan is:

- **SBA Economic Injury Disaster Loan:** \$2 million
- **Paycheck Protection Program (Business Interruption Loans):** \$10 million
- **SBA Express Loan:** \$1 million
- **Exchange Stabilization Fund:** To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue information regarding the maximum loan amounts available. However, maximum loan amounts are likely to consider the amount of economic losses incurred as a result of COVID-19, credit worthiness, collateral pledged, and ability to repay.
- **Community Development Block Grants:** You will need to contact your local municipal or county officials

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to find out how the program operates in your area. Participation requirements may differ from one grantee to another. [Find out who administers the CDBG Program in your area.](#)

- **Economic Development Assistance Program (EDAP) Grants:** A notice of funding opportunities and information on how to apply will be posted on the Economic Development Administration's website, which you can [find here](#). The notice of funding opportunities will provide information on the maximum grant amount under this program.

How soon could I expect relief from each type of loan?

Turnaround times may vary, but based on history:

- **SBA Economic Injury Disaster Loan:** 2-3 weeks for the full loan, but 3 days for \$10,000 cash advance.
- **Paycheck Protection Program (Business Interruption Loans):** N/A, new program.
- **SBA Express Loan:** 36 hours
- **Exchange Stabilization Fund:** To be determined. The Treasury Department, the Federal Reserve, or financial institutions will issue guidance regarding how quickly loans and other financial assistance will be dispersed.
- **Community Development Block Grants:** Within 30 days (or by April 27, 2020), the Department of Housing and Urban Development will begin distributing grants to eligible local municipal or county officials. Once these funds have been distributed to local and county officials, please contact them to determine when these grants will be made distributed and for what purpose. [Find out who administers the CDBG Program in your area.](#)
- **Economic Development Assistance Program (EDAP) Grants:** A notice of funding opportunities and information on when these grants will be disbursed will be posted on the Economic Development Administration's website, which you can [find here](#). While these grants are not yet available, funding opportunities may be announced within the next 30 days (or by April 27, 2020).

Are there any grants available?

Yes, grants are available in the following programs, through the following ways:

- **SBA Economic Injury Disaster Loan:** \$10,000 grant given in the form of a cash advance of the loan that doesn't have to be paid back.
- **Paycheck Protection Program (Business Interruption Loans):** Up to \$10 million grant given in the form of tax-free loan forgiveness for the portion of the loan used to cover payroll, (including additional wages paid to tipped employees), mortgage debt interest, rent, and utilities during the first 8 weeks of the loan—which will be reduced if you reduce the number of employees or wages.
- **Community Development Block Grants (CDBG):** Grants and loans are available through this program. However, it is up to the local and county officials that receive the funds to determine what kind of grants or loans they will made available with these funds. [Find out who administers the CDBG Program in your](#)

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[area](#).

- **Economic Development Assistance Program (EDAP) Grants:** Both grants and loans may be made available through this program. A notice of funding opportunities will be posted on the Economic Development Administration's website, which you can [find here](#). These notices will contain information regarding the kinds of grants and loans with will be made available.

Is a Disaster Loan the same as the Economic Injury Disaster Loan?

- Yes, an Economic Injury Disaster Loan provided through the SBA is sometimes referred to in the shorthand as a “disaster loan.”

Where can I find a list of SBA lenders in my area?

- You can find the list of SBA-approved lenders in each state or region [here](#).

Do you have to pick and choose one between the Disaster Relief Loan and the Paycheck Protection Program loan? Or can I apply for both?

No, but they generally can't be used to cover the same expense. Since Economic Injury Disaster Loans are available now, they should be the first choice for relief. An Economic Injury Disaster Loan can be folded into a Paycheck Protection Loan (Interruption Loan), but not vice versa. The Paycheck Protection Program is designed to be supplemental to the Economic Injury Disaster Loan program, covering expenses that can't be covered by an Economic Injury Disaster Loan alone.

What is the date where the government calculates the 500-employee qualification? The end of a calendar year?

- In general, the employee size standards are calculated using the average employment of a firm during the previous 12 calendar months. To determine how to calculate the average employment over the previous calendar months for your business, [click here to review 13 CFR § 121.106](#). A table of SBA revenue and [size standards by industry can be found here](#).

Is unemployment insurance available for furloughed employees?

- Yes, the CARES Act allows individuals who are unemployed, partially unemployed, or unable to work due to the coronavirus outbreak (including furloughed workers and the self-employed) to receive unemployment assistance totaling their regular wage plus \$600 (upon request by a State until July 31, 2020), for up to 39 weeks, during any period of employment disruption between January 27 and December 31, 2020—with no waiting period requirement.

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- Additionally, the CARES Act allows the federal government to fully cover a state's share of short-time compensation (STC) until December 31, 2020. STC allows employers to reduce hours of work for employees rather than laying-off some employees while others continue to work full time. Those employees experiencing a reduction in hours are allowed to collect a percentage of their unemployment insurance benefits to replace a portion of their lost wages. To find out if your state has an STC program, please visit the Department of Labor's website [here](#).

Is the Employee Retention Tax Credit different than the tax credit available through the Families First Coronavirus Response Act?

- Yes, they are different. The Employee Retention Tax Credit allows non-governmental employers to claim a refundable tax credit against the quarterly-paid employer portion of Social Security taxes (6.2% of wages). The credit is worth 50% of eligible compensation (including group health benefits), up to \$10,000 in employee compensation, providing a maximum credit of \$5,000 per employee. *Any employee paid leave benefit that is eligible for a tax credit under the Families First Coronavirus Response Act cannot be included in the calculation of eligible compensation under the Employee Retention Tax Credit.*
- Under the Families First Coronavirus Response Act, employers can generally receive a refundable tax credit to help cover the cost of paid leave benefits. More information can be found on the IRS website [here](#).

How is employee retention calculated for the Payroll Protection Program?

- The loan forgiveness amount is reduced by the percentage of employment and amount of wages that is reduced over the first 8 weeks of the loan for any employee making \$100,000 or less, compared to the applicable period last year. For most borrowers, the "applicable period" is either between February 15, 2019 and June 30, 2019 or between January 1, 2020 and February 29, 2020, at the election of the borrower. For seasonal businesses, the applicable period is February 15, 2019 and June 30, 2019. Total employment is determined by calculating the average number of full-time equivalent employees for each pay period falling within a month.
- There's an allowance for a temporary decline in employment and wages occurring between February 15 and April 27.

What loan program would you recommend for a small business to get some help with rent for a few months?

Both the Economic Injury Disaster Loan program and the Paycheck Protection Program can be used to cover rents. However, since Economic Injury Disaster Loans are available now, they should be the first choice for relief. An Economic Injury Disaster Loan can be folded into a Paycheck Protection Loan (Interruption Loan), but not vice versa. The Paycheck Protection Program is designed to be supplemental to the Economic Injury Disaster Loan program, covering expenses that can't be covered by an Economic Injury Disaster Loan alone

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Do the relief resources in the CARES Act apply to seasonal businesses as well?

- Yes, there are flexible rules provided for seasonal businesses. Contact your nearest [SBA District Office](#) to see what applies to you.

For mid-size businesses that must retain 90% of their workforce through September 30, when does the government take the snapshot to calculate the 90% figure?

- **Exchange Stabilization Fund:** Through a program that is likely to be established by the Treasury Department for mid-sized businesses and nonprofits (of between 500 – 10,000 employees), there will be requirements that a borrower retain 90% of its workforce that existed as of Feb. 1, 2020 and to restore all worker compensation and benefits no less than four months after the Secretary of Health and Human Services declares an end to the pandemic emergency.

If a business has already reduced their workforce by furlough or layoffs, can they bring them back and still be eligible for the Paycheck Protection Program?

- Yes, as long as the employees are hired back by April 27. Further, under SBA regulations, 75% of the loan proceeds must be used on payroll costs, with similar requirements for loan forgiveness. For more information, please see our [fact sheet](#) or SBA regulations [here](#).

Is the Paycheck Protection Program (PPP) and 7(a) loan totally separate or are they the same? Are both directly through a lender?

- They are essentially separate—with different loan features, requirements, and restrictions—but all lenders authorized to make 7(a) loans are authorized to make PPP loans. More information can be found on our [fact sheet](#) or through SBA regulations [here](#).

How are tips and commission salaries calculated into Paycheck Protection Program (PPP) and Employment Retention Tax Credit (ERTC)?

- For information on how eligible compensation is calculated under the PPP, please click [here](#). For more information on how the ERTC calculates eligible compensation, please click [here](#).

The SBA loan asks for amount of loss. Do we put what our projected loss is or what we have currently lost so far?

- “Substantial economic injury” is defined as the amount of ordinary and necessary expenses the borrower cannot cover due to the coronavirus outbreak. See our Disaster Loan fact sheet [here](#).

If you previously applied for an SBA loan a few days before the CARES Act passed, do you need to reapply?

- As the CARES Act changed or added relief options for small businesses that did not exist previously, you

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will need to apply separately to each relief program. Please refer to our [eligibility guide](#).

Will the Main Street Lending programs have higher interest rates?

- Information is not yet available for Main Street Lending Program assistance that will be offered, who qualifies and how to apply. U.S. Travel is working with the Treasury Department and Federal Reserve to ensure assistance is available soon.

Are you able to include severance for terminated staff into any of the relief options?

- It is currently unclear, and we are working to find more guidance. Under the [Exchange Stabilization Fund](#), in order to receive funding, businesses agree to certain limitations on compensation and severance, but details of application or process have not yet been made available.

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