



ELEVATE LAKE
Economic Development

COVID-19

U P D A T E

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VISIT LAKE PARTNER,

We hope you, your families, staff and guests are safe and healthy at this time. The Office of Visit Lake (tourism) and the Office of Elevate Lake (economic development) are working hard to provide as much reliable and important information during the Coronavirus (COVID-19) Pandemic. We will be sending out periodic communications for industry updates and business recovery resources. We have also created a [**COVID-19 Information and Resources for Tourism Partners**](#)¹ website with information and resources specific to the tourism industry as well as business recovery.

Below is important information regarding the SBA's Economic Injury Disaster Loan and the Payment Protection Program.

If you have any questions please do not hesitate to contact our offices.



U.S. Small Business
Administration

ECONOMIC INJURY DISASTER LOAN AND LOAN ADVANCE

EIDL APPLICATION LINK: <https://www.sba.gov/page/disaster-loan-applications>

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000. The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

The [**SBA's Economic Injury Disaster Loan**](#)² program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

¹ <https://blog.visitlakefl.com/covid-19-information-and-resources-for-tourism-partners/>

² <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

Loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%. Loans have long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. For additional information, please contact the SBA Disaster Assistance Customer Service Center: 1-800-659-2955 (TTY: 1-800-877-8339) or disastercustomerservice@sba.gov.

PAYCHECK PROTECTION PROGRAM

To see a sample application visit here:

<https://www.sba.gov/document/sba-form--paycheck-protection-program-ppp-sample-application-form>

For an additional information sheet for borrowers visit here:

https://www.floridabankers.com/docs/Links/News/PPP_Borrower_Info_FactSheet_3.31.2020.pdf

Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply.

The [Paycheck Protection Program](#)³ would provide cash-flow assistance through 100% federally guaranteed loans to employers who maintain their payroll during this emergency. The government will authorize certain lenders to facilitate these loans. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis.

PPP has a host of attractive features, such as forgiveness of up to 8 weeks of payroll based on employee retention and salary levels, no SBA fees, and at least six months of deferral with maximum deferrals of up to a year. Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program would be retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls.

Loans are available through June 30, 2020.

WHO CAN APPLY? All businesses and, in general, 501(c)(3) and 501(c)(19) non-profits with 500 employees or fewer qualify. Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals. Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived. Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

WHERE DO YOU APPLY? First, contact the bank you usually do business with and ask if they are participating. If not, you can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.

³ <https://www.sba.gov/funding-programs/loans/paycheck-protection-program>

WHAT DOCUMENTS WILL YOU NEED?

1. 2019 Payroll – including the last 12 months of payroll
2. 2019 Employees – 1099's for 2019 employees and independent contractors that would otherwise be an employee of your business. (Note: Do NOT include 1099's for services)
3. Healthcare costs – all health insurance premiums paid by the business owner under a group health plan.
4. Retirement – your company retirement plan funding paid for by the company.

What is the covered period of the loan? The covered period during which expenses can be forgiven extends from February 15, 2020 to June 30, 2020. Borrowers can choose which 8 weeks they want to count towards the covered period, which can start as early as February 15, 2020.

HOW MUCH OF THE LOAN WILL BE FORGIVEN? The purpose of the Paycheck Protection Program is to help you retain your employees, at their current base pay. If you keep all of your employees, the entirety of the loan will be forgiven. If you still lay off employees, the forgiveness will be reduced by the percent decrease in the number of employees. If your total payroll expenses on workers making less than \$100,000 annually decreases by more than 25 percent, loan forgiveness will be reduced by the same amount. If you have already laid off some employees, you can still be forgiven for the full amount of your payroll cost if you rehire your employees by June 30, 2020.

Payroll costs plus any payment of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation) plus any payment on any covered rent obligation + and any covered utility payment.

The amount forgiven will be reduced proportionally by any reduction in employees retained compared to the prior year and reduced by the reduction in pay of any employee beyond 25 percent of their prior year compensation. To encourage employers to rehire any employees who have already been laid off due to the COVID-19 crisis, borrowers that re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period.

Allows forgiveness for additional wages paid to tipped workers.

What happens after approval? The borrowers will verify through documentation to lenders their payments during the period. Lenders that receive the required documentation will not be subject to an enforcement action or penalties by the Administrator relating to loan forgiveness for eligible uses. Upon a lender's report of an expected loan forgiveness amount for a loan or pool of loans, the SBA will purchase such amount of the loan from the lender. Canceled indebtedness resulting from this section will not be included in the borrower's taxable income. Any loan amounts not forgiven at the end of one year is carried forward as an ongoing loan with terms of a max of 10 years, at max 4% interest. The 100% loan guarantee remains intact.

CAN YOU RECEIVE A BRIDGE LOAN THROUGH MY STATE AND APPLY FOR THE PAYCHECK PROTECTION PROGRAM? Yes, you can take out a state bridge loan and are still be eligible for the PPP loan.

CAN YOU REFINANCE AN ECONOMIC INJURY DISASTER LOAN (EIDL) RELATED TO COVID19 INTO A PPP LOAN? Yes. If you received an EIDL loan related to COVID-19 between January 31, 2020 and the date at which the PPP becomes available, you would be able to refinance the EIDL into the PPP for loan forgiveness purposes. However, you may not take out an EIDL and a PPP for the same purposes. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness terms for a PPP loan, would remain a loan. If you took advantage of an emergency EIDL grant award of up to \$10,000, that amount would be subtracted from the amount forgiven under PPP.