



NEW YORK STATE SENATOR

David Carlucci

Small Business Stimulus Resources

SENATOR DAVID CARLUCCI April 11, 2020

| ISSUE: **SMALL BUSINESS**



In recent days, there have been many complaints to my office about the Small Business Administration's handling of emergency grants and loans. I am reaching out to our federal partners, Congresswoman Lowey, Senator Schumer, and Senator Gillibrand about these problems on your behalf. You can always contact my office about issues related to these grants and loans and we will involve our federal partners to get you the answers you need.

Please know my office is here to help you navigate all existing resources. You can give my office a call at (845) 623-3627 between 9:00 a.m. - 5:00 p.m. Monday through Friday or email me

directly anytime at carlucci@nysenate.gov.

Sincerely,

David Carlucci

Emergency Grants:

- The CARES ACT provides \$10 billion for grants of up to \$10,000 to provide emergency funds for small businesses to cover immediate operating costs.
- If your business is denied a loan, you can still qualify for an EIDL loan.
- It can be used for employee sick leave, maintain payroll or meet other needs like paying rent.
- Businesses may receive an immediate advance (3-days) of up to \$10,000 with an Economic Injury Disaster Loan Advance.
- The Advance will be calculated as \$1000 per full time employee up to \$10,000. This advance does not have to be repaid (even if the loan is denied) as Advance will be considered an Emergency EIDL Grant.
- You may keep the Advance even if you choose not to take the loan.
- Application for the Advance must be made on the [application for EIDL](#).
- Check the box requesting the Advance and submit your banking information on the application as it will be a Direct Deposit.
- Apply as soon as possible, deadline to apply is December 31, 2020.
- If three days have passed and you have not heard back, please call 800-659-2955 or email disastercustomerservice@sba.gov.
- For more information, click here: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency->

advance.

Expanded access to U.S. Small Business Administration Economic Injury Disaster Loans:

- Under the disaster assistance program, the SBA is supposed to offer loans of up to \$2 million to small businesses and nonprofits affected by the COVID-19 pandemic.
- However, we have seen reports that these loans may only be available for up to \$15,000. My office is reaching out to the Small Business Administration for clarification.
- The interest rate for small businesses is 3.75% for and 2.75% for nonprofits.
- Loan repayment terms differ by applicant, with a maximum of 30 years, and payments can be deferred for up to four years.
- Sole proprietors and businesses with fewer than 500 employees qualify, and applicants don't need to provide a personal guarantee on loans under \$200,000. it's first come, first serve.
- Deadline to apply is December 31, 2020.

Paycheck Protection Program:

- \$350 billion was allocated for the Small Business Administration to provide first come, first serve, loans of up to \$10 million per business, and the loans will be provided by lenders, including banks and credit unions.
- Any portion of that loan can be used to maintain payroll, keep workers on the books, or pay for rent, mortgage and existing debt could be forgiven, provided workers stay employed through the end of June.

- Protection Program loans can be forgiven if businesses maintain payroll for eight weeks at employees' normal salary levels and use the loan proceeds for qualifying expenses.
- SBA Lenders officially started accepting applications for Paycheck Protection Plan (PPP) loans from independent contractors and sole proprietors.
- PPP can be used for the sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a wage, commission, income, net earnings from self-employment, or similar compensation and that is in an amount that is not more than \$100,000 in one year, as pro-rated for the covered period.
- The SBA has been advising Small Businesses to apply through their current bank on their bank's portal, if they are an SBA-approved bank. However, if your primary bank is not SBA-approved here is a link find another lender: [Find Eligible SBA Lenders](#).
- The deadline to apply for PPP is **June 30th**, but the funds are capped. Don't get shut out **Apply NOW**.
- *NOTE: Wells Fargo is again accepting PPP applications as the Federal Reserve has lifted it's cap. If you are a Wells Fargo customer apply directly on their portal.*

PPP Vs. Unemployment

- Instead of the Paycheck Protection Program, self-employed individuals might consider applying for unemployment through the New York State Department of Labor.
- [See Guide for Self-Employed Individuals](#) Applying for Unemployment

SBA Express Bridge Loan

- Businesses with existing relationships with an SBA Express Lender can access up to \$25,000 quickly. This loan can be used while applying for the EIDL loan
- This loan must be repaid in full or in part by proceeds from the EIDL loan

SBA Debt Relief

- As part of SBA's debt relief efforts the SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020

What to do if you need help?

- If you are not sure which COVID-19 SBA lending option is best for your business, you can work with a small business adviser by making an appointment online with the [New York Small Business Development Center](#).
- The [Small Business Development Center serving Rockland And Westchester Counties](#): (845) 356-6065, tmorley@sunyrockland.edu
- You can [watch this SBA presentation on Youtube](#) for more information.
- Small Business Owner's Guide to the CARES Act, can be found [HERE](#), https://www.nysenate.gov/sites/default/files/article/attachment/small_business_owners_guide_
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- The Westchester County Economic Development team is researching loans and grant programs for small business devastated by the shutdown of their businesses,

communicating information through local Chambers of Commerce. For more information visit: <https://westchestercatalyst.com/coronavirus-updates/>.