



TEXAS REGIONAL BANK

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Coronavirus Aid Relief and Economic Security ACT (CARES ACT)

On March 27, 2020 the President signed into law the CARES ACT, with \$376 billion allocated for relief for American employees and small businesses.

Section 1102 of the CARES ACT temporarily permits SBA to guarantee 100% of 7(a) Loans under this program.

Loan Options:

- Economic Injury Disaster Loan (EIDL)
- Paycheck Protection Program (PPP)

Options



1. Economic Injury Disaster Loan (EIDL):
 - Up to \$2 million
 - \$10,000 advanced grant included
 - Loan terms:
 - 3.75%, up to 30 years (2.75% for non-profits)
 - Payments deferred for 12 months

2. Paycheck Protection Program (PPP):
 - Up to \$10 million
 - Forgivable
 - Loan terms:
 - 1%, 2 years
 - Payments deferred for 6 months

Note: EIDL advance grant cannot be combined with the PPP loan and cannot use funds from both loans for the same purposes; however, borrowers can apply for both loans.

Application Process



EIDL application process:

- Can apply directly through the SBA website at <https://www.sba.gov/>

PPP application process:

- Need to apply through an SBA approved Lender
 - Borrower Application Form (SBA Form 2483)
 - Supporting Payroll Information
 - Beneficial Ownership Certification



What is eligible for forgiveness?

- Payroll expenses equal to 8 weeks of average payroll prior to COVID-19
 - Includes: tips and commission, vacation or sick pay, health insurance, retirement benefits and state and local employer taxes
- Rent, utilities, and mortgage interest if eligible to be deducted on a business tax return
- Owner compensation replacement for 8 weeks determined by 2019 Tax Return (For Independent Contractors, Sole Proprietors, or Partnerships only)

Statistics



PPP Round 1: \$349 billion allocated

Approvals through April 16

- Total loans: 1,661,367
- Net Approved Amount: \$342,277,999,103

PPP Round 2: \$321 billion allocated

Approvals Ongoing

- Total loans: 2,571,167
- Gross Dollars: \$188,943,588,568

Totals as of 06/03/2020 at 5:00pm EDT:

- Approved Loans: 4,500,009
- Approved Dollars: \$510,596,846,031

PPP Flexibility Act



US Senate passed the Paycheck Protection Program Flexibility Act of 2020

- Extends the Paycheck Protection Program from June 30th to December 31st
- Extends the 8-week period to 24 weeks
- Drops the 75/25 payroll rule to 60/40
- Extends the payment deferral period to up to 10 months after the covered period ends
- Allows payroll tax deferment for borrowers with forgiven loans

**Awaiting approval from the President*

Forgiveness Process



- Application
 - Loan Forgiveness Application (SBA Form 3508) released on Friday, May 15th
 - 11 page application including instructions for completing
 - *SBA recommendation to fill out starting from back to front*
- Supporting documentation
 - Verification documents to support forgiveness eligibility
- Borrower is required to submit all required documentation to Lender for review and submission to SBA
 - Lender has 60 days from date of receipt of complete application to issue a decision to SBA
 - SBA has 90 days to remit the appropriate forgiveness amount to the Lender

**For additional information, please refer to SBA FAQ's at [SBA's FAQ page](#)*



Questions?
Comments?