Meet Your Presenter

Eric Mills, Senior Vice President / Business Banking Regional Manager, Fifth Third Bank
Here’s what you need to know...
Late Friday, March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. This $2 trillion stimulus package allocated $350 billion specifically to help businesses like yours.

Further details from the United States Small Business Administration (SBA) regarding program start dates and processing guidelines have not yet been published.
SBA Paycheck Protection Program*

Overview:

• An emergency lending facility, administered by the SBA under its 7(a)-lending program.

• Loans up to $10MM, with loans limited to 2.5 x monthly average payroll for the preceding one-year period.

• Provides funds to cover payroll support, such as employee salaries, paid sick or medical leave, insurance premiums, and mortgage interest, rent, and utility payments.

• Waives certain fees for participation in the Paycheck Protection Program. (The SBA Ongoing Fee is only waived until June 30, 2020.)

Source: www.53.com
Who Can Apply:

- Small business with less than 500 employees - includes sole-proprietors, independent contractors, and other self-employed individuals.
- Businesses in certain industries may have over 500 employees if they meet SBA size standards for industry
- Hospitality/Food industry w/ more than one location and over 500 employees total could be eligible by location.
- In operation as of February 15, 2020
- Paid salary, payroll tax for employees/independent contractors
SBA Paycheck Protection Program*

How to Apply:

Lenders may begin processing loan applications as soon as April 3, 2020.

Program end date June 30, 2020.

- Apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.

- Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.

- Consult with your local lender as to whether it is participating in the program.

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Source: www.53.com
SBA Paycheck Protection Program

Loan Details & Forgiveness:

- The loan will be fully forgiven if the funds are used for:
  - payroll costs
  - interest on mortgages/rent
  - utilities

- Loan payments will also be deferred for six months

- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

- Borrowers are required to make a good faith certification

Source: www.53.com
Begin preparing your application:
Application

You will need:

- 2018 and 2019 **Business Tax Returns** – if 2019 is not done, company prepared 2019 YE Profit & Loss Statement and Balance Sheet

- A **signed letter** on letterhead that details how your company has been harmed. It should include the following items:
  
  a: Stating uncertainty of current economic condition makes the loan request necessary to support ongoing operations
  
  b: Acknowledge funds will be used to retain workers, maintain payroll or make mortgage interest, lease and utility payments
  
  c: Stating that eligible recipient does not have another PPP application pending for the same purpose; AND
  
  d: Acknowledge that may not receive another 7(a) loan for same purpose through 12/31/2020

- **Calculation** of the **requested loan amount** using average total monthly payments for payroll for the 1-year period times 2.5 times – this document needs to be able to be uploaded.

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This is not intended to be an all-inclusive list and additional information may be required based on your company’s individual needs.

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Source: [www.sba.gov](http://www.sba.gov)
Other Assistance

**Other programs & provisions:**

- **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.

- **SBA Debt Relief program** will provide a reprieve to small businesses as they overcome the challenges created by this health crisis. Under this program:
  - The SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020.
  - The SBA will pay the principal and interest of current 7(a) loans for a period of six months.

Source: [www.sba.gov](http://www.sba.gov)
Other Assistance

Other programs & provisions, cont.:

- **Express Bridge Loan Pilot Program:** allows small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

  **Terms:**
  - Up to $25,000
  - Fast turnaround
  - Will be repaid in full or in part by proceeds from the EIDL loan

**Source:** [www.sba.gov](http://www.sba.gov)
Questions?