



**Available Coronavirus (COVID-19) Relief for
Small Businesses¹
As of April 1, 2020**

	COVID-19 Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program (PPP)	New York City Small Business Continuity Loan Fund
Purpose of Loan	The EIDL may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses. The EIDL includes an advance of up to \$10,000 within three days of applying, to provide economic relief to businesses that are currently experiencing a temporary loss of revenue.	To provide a direct incentive for small businesses to keep its workers on their payroll. This partially forgivable loan can be used to cover payroll, health care benefits, mortgage interest, rent, and utilities (with certain limitations).	To help small businesses deal with the impact of COVID-19, New York City has launched the Small Business Continuity Loan Fund. Additional guidance should be released in the next few days.
Lender	U.S. Small Business Administration	Any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution. Awaiting details on specific lenders ²	NYC Department of Small Business Services

¹ The information provided in this matrix is not meant to be exhaustive and is provided to you for general information. It should not be relied upon as legal advice. For a more comprehensive review of the CARES Act, please see our prior alert [here](#). You should consult with legal counsel to discuss the legal requirements for each loan to best determine the loan that meets the needs of your business.

² The SBA provides a list of its active lenders, which can be found [here](#).

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Eligible Businesses	Small businesses that employ 500 or fewer employees, individuals who operate under a sole proprietorship with or without employees, independent contractors, a cooperative with not more than 500 employees, tribal small businesses (as described in the SBA), and ESOPs.	Small businesses that employ 500 ³ or fewer employees during the period from February 15 to June 30, 2020 (including sole proprietorships, independent contractors, and eligible self-employed persons), not-for-profit organizations, veterans' organizations and tribal small businesses. Franchises, lodging and food service businesses may have more than 500 employees, although not at one location, and still qualify.	To be eligible, small businesses must meet the following criteria: <ul style="list-style-type: none"> • Be located within the five boroughs of New York City • Demonstrate that the COVID-19 outbreak caused at least a 25% decrease in revenue⁴ • Employ 99 employees or fewer in total across all locations • Demonstrate ability to repay the loan • Have no outstanding tax liens or legal judgements
Where can I apply for the loan?	You can apply directly on the SBA website here .	Starting Friday, April 3, 2020, you can apply through an SBA certified lender. The application form can be found here .	Application information can be found here .

³ Businesses with over 500 employees may still be eligible if they are in an industry that has an employee-based size standard through the SBA that is higher than 500 employees.

⁴ As part of the applications, businesses will be required to demonstrate a revenue decrease by providing documentation such as: point-of-sales reports, bank statements, quarterly sales tax filings, 2019 tax returns, or CPA-certified profit & loss statements. The revenue impact will be calculated by comparing the average revenue for two months in 2020 (after the COVID-19 impact) to both: average revenue for the same two-month period in 2019, and average monthly revenue based on total 2019 revenue to see if either calculation shows at least a 25% decrease in revenue.

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Advance	Applicants can request up to \$10,000 in advance, which is to be awarded within three days of an application. Businesses are not required to repay the advance, even if the loan application is later denied.	None	Awaiting Guidance
Maximum Loan Amount	Up to \$2 million.	Up to the lesser of \$10 million, or 2.5 times your total payroll expenses for the loan period.	Up to \$75,000.
Loan Forgiveness	No; however, a business that has already applied for or received an EIDL loan could apply for a Paycheck Protection Program loan, then, transfer the EIDL loan into a PPP loan to take advantage of the loan forgiveness ⁵ .	If an employer maintains their workforce throughout the emergency period, ⁶ SBA will forgive the portion of the loan proceeds used to cover the first eight weeks of payroll costs ⁷ (excluding wages over \$100,000) and other expenses, including mortgage interest, rent, and utility payments ^{8,9} .	Awaiting Guidance
Collateral	Collateral required for loans over \$25,000. SBA guidance states it will not decline a loan for lack of collateral, but	No collateral or personal guaranty is required.	Awaiting Guidance

⁵ We await guidance on how much of the EIDL loan could be transferred to a PPP loan (e.g., if the EIDL loan exceeds the maximum available PPP loan amount, you may only be able to transfer an amount equal to the available PPP loan amount).

⁶ Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

⁷ “Payroll costs” include salaries, wages, leave payments, severance payments, health benefits, retirement benefits, and payments of state and local compensation-related taxes.

⁸ SBA Guidance suggests that at least 75% of the forgiven amount must have been used for payroll costs (as defined above).

⁹ You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.

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	requires borrowers to pledge what is available. A personal guaranty will not be required for loans up to \$200,000.		
Annual Interest Rate	3.75% (or 2.75% for non-profits)	The loan rate is being initially set at 0.5%. It is capped at 4%.	0%
Terms	Minimum of fifteen years, up to thirty years.	To the extent that the PPP loan is not forgiven, up to 10 years.	Awaiting Guidance
Loan Deferment	Up to a year, however, interest accrues during deferment periods.	At least six months, up to a year.	Awaiting Guidance
Permitted Uses for Loan Proceeds	Expenses that could have been paid had the disaster not occurred, including working capital, paying fixed debt, payroll, and accounts payable.	Payroll, healthcare premiums, insurance premiums, mortgage interest payments, rent, utilities, and other debt.	Awaiting Guidance
Restrictions	The funds cannot be used for business expansion, bonuses, to refinance old debt, for dividends or distributions, and other expenses that are not related to revenue shortfall from the coronavirus (COVID-19) emergency.	The funds cannot be used for Social Security, Medicare and income withholding taxes, railroad retirement taxes, and for compensation of anyone who lives outside the United States.	Awaiting Guidance
Deadline	The EIDL has an application deadline of December 21, 2020.	The PPP has an application deadline of June 30, 2020.	Awaiting Guidance

Additional New York City Relief Options:

NYC Employee Retention Grant Program (All Applications must be submitted by Friday, April 3, 2020, at 5 p.m.)

New York City small businesses with one to four employees that can demonstrate at least a 25% decrease in revenue as a result of COVID-19 can apply for a grant covering 40% of their payroll costs for two months. To qualify, the business must have been in operation for at least six months. Businesses can access up to \$27,000. Additional information can be found [here](#).