

TITLE 1 of Coronavirus Aid, Relief, and Economic Security Act (The CARES Act)

	Loans Prioritized For	Eligible Employers	Available Loan Amounts and Terms	Interest Rate Caps and Limits
<p>Keeping American Workers Employed and Paid Act (Title I)</p> <p><u>Effective Date:</u> February 15, 2020</p> <p><u>Effective Date Ends:</u> June 30, 2020</p>	<p>(1) Small business concerns</p> <p>(2) Entities in underserved and rural markets (including veteran communities)</p> <p>(3) Small business concerns owned by socially and economically disadvantaged individuals</p> <p>(4) Women</p> <p>(5) Businesses in operation for less than two years</p>	<p>Employers are assumed to be adversely impacted by COVID-19; must show they were in operation and paid employee salaries/payroll taxes by March 1, 2020; and one of the following:</p> <p>(1) Employers with 500 or fewer employees</p> <p>(2) Employers with the applicable number of employees standard for the industry as provided by SBA, if higher</p> <p>(3) Sole proprietors, independent contractors, and eligible self-employed individuals (as defined in the Families First Coronavirus Response Act)</p>	<p>The lesser of: \$10,000,000</p> <p>OR</p> <p>2.5 times the average total monthly payroll costs (subject to certain provisions)</p>	<p>\$350,000 or less - 5%</p> <p>\$350,000 to \$2 million -3%</p> <p>\$2 million and above -1%</p> <p>Lenders cannot require any collateral or personal guarantee, or apply any subsidy recoupment fee or prepayment penalty.</p>
	Loans Must Be Used For	Applicant Must Certify	SBA Affiliation Rules Waived For	Loan Forgiveness and Deferral
	<p>Employee compensation and salary, including</p> <ul style="list-style-type: none"> • Employees (unless they make \$100k + a year) and Independent contractors • Certain federal taxes • Employees located outside of the United States • Paid leave allowed under the Families First Act • Group health care benefits <p>Mortgage payments</p> <p>Rent and Utilities</p> <p>Interest on debt obligations that were incurred before the covered period</p>	<p>The loan is needed to continue operations during the COVID-19 emergency</p> <p>Funds will be used to retain workers and maintain payroll or make mortgage, lease, and utility payments</p> <p>The applicant does not have any other application pending under this program for the same purpose</p> <p>The applicant does not receive duplicative amounts under the new program during the effective date</p>	<p>Business assigned a North American Industry Classification System (NAICS) code beginning with 72 (accommodations and food services)</p> <p>Operating as a franchise that is assigned a franchise identifier code by the SBA</p> <p>Receiving financial assistance from a company licensed under section 301 of the Small Business Investment Act of 1958</p> <p>NOT WAIVED FOR: Many private-equity/venture-capital backed small businesses</p>	<p>Deferral: 6 months to 1 year, even if the loan is sold</p> <p>Loan Forgiveness: First 8 weeks for payroll costs, mortgage payments, rent, and utility payments</p> <p>Forgiveness Reductions: The amount forgiven will be reduced proportionally by any reduction in number of employees compared to the prior year and reduced by the reduction in pay of any employee beyond 25% of their compensation for the prior year</p> <p>Exemption from Reduction: Business re-hires employees or eliminates the reduction in salaries by June 30, 2020</p> <p>Limits: Loans not forgiven after one year carry max term of 10 years and max interest rate of 4%</p>

TITLE 4 of Coronavirus Aid, Relief, and Economic Security Act (The CARES Act)

	Eligible Employers and Amounts	Available Loan Amounts and Terms	Applicant Must Certify	Restrictions
<p>Economic Stabilization and Assistance to Severely Distressed Sectors (Title IV)</p>	<p>Up to \$25 billion for passenger air carriers</p> <p>Up to \$4 billion for cargo air carriers</p> <p>\$17 billion for businesses critical to maintaining national security;</p> <p>\$454 billion for loans, loan guarantees, and investments in support of facilities established by the Federal Reserve to support lending to eligible businesses, states, and municipalities.</p>	<p>Loan rates will be determined by reference to the current average yield on outstanding government debt. The Agency will publish application procedures and requirements within 10 days of the enactment of the Act.</p>	<p>Credit is not reasonably available to the applicant at the time of the transaction</p> <p>The intended obligation is “prudently incurred”</p> <p>The loan is sufficiently secured</p>	<p>Borrowers cannot engage in stock buybacks, unless contractually obligated, or pay dividends until one year after the loan is no longer outstanding</p> <p>Borrowers must, to the extent practicable, maintain the same employment levels as of March 24, 2020, and retain at least 90 percent of their employees as of that date through September 30, 2020</p> <p>Borrowers cannot increase the compensation of any employee whose compensation exceeds \$425,000 or offer significant severance or termination benefits more than twice their 2019 income</p> <p>Borrowers’ officers and employees whose total compensation exceeded \$3 million in 2019 cannot receive compensation greater than \$3 million, plus 50 percent of the amount over \$3 million that the individual received in 2019</p>