



Highlights of CARES Act Programs for Small and Mid-Sized Businesses

Up To \$849 Billion In Low-Interest Loans Available

SMALL BUSINESS CONCERNS

- Generally < 500 employees (see SBA [tables](#));
- Total of \$349 billion available;
- These are considered section [7\(a\)](#) loans under the Small Business Act

Terms:

- Loans [available](#) up to lesser of \$10 million or 2.5x monthly payroll;
- Funds [must be used](#) to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments;
- No personal [guaranty](#) or collateral required;
- All payments [deferred](#) at least 6 mo., up to one year;
- Loans may be [forgiven](#) in an amount equal to expenditures during first 8 weeks.

[CARES Act § [1102](#); SB Act, 16 USC § 636(a)(36)]

ASSISTANCE FOR MID-SIZED BUSINESSES

- 500-10,000 employees
- At least \$454 billion available, up to \$500 billion

Terms:

- Direct loans available (no individual cap)
- Interest capped at 2%
- No principal or interest due for 6 months
- Must retain 90% of work force through 9/30/2020 and restore 90% of workforce as of 2/1/2020 within 4 months of termination of public health emergency
- Limited to borrowing entities “created or organized in the United States or under the laws of the United States” and which “has significant operations in and a majority of its employees based in the United States.”

[CARES Act § [4003\(c\)\(3\)\(D\)](#)]

Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act”: H.R. 748; Public Law No. 116-136; To read the full text:

<https://www.congress.gov/bill/116th-congress/house-bill/748/text>