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*