



*Coronavirus Pandemic:*  
**Small Business  
Guidance and  
Resources**

**Updated: 7/10/20**

The ongoing coronavirus pandemic poses many challenges to our district's small businesses and workers. During this difficult time, I'm committed to doing everything I possibly can to keep you safe, prepared, and well-informed.

I'm working with federal, state, and local officials to coordinate assistance and connect you with the information you need.

I hope this guide is a helpful resource as we all navigate uncertain times. If your question or concern is not addressed here, please don't hesitate to call us at (202) 225-2815 or (804) 401-4110.

Sincerely,



Abigail D. Spanberger  
Member of Congress

### Reliable Resources

World Health Organization: <https://www.who.int/emergencies/diseases/novel-coronavirus-2019>

Centers for Disease Control and Prevention: <https://www.cdc.gov/coronavirus/2019-nCoV/index.html>

National Institutes of Health: <https://www.nih.gov/health-information/coronavirus>

Virginia Department of Health: <http://www.vdh.virginia.gov/coronavirus/>

Rep. Spanberger's Website: <https://spanberger.house.gov/services/coronavirus.htm>

# The Paycheck Protection Program (PPP) Loans

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**On April 24, 2020, the PPP was provided an additional \$310 billion in funding through the *Paycheck Protection Program and Health Care Enhancement Act*, which passed the U.S. House with bipartisan support and was signed into law by President Trump. As a result, as of the latest update to this guide – July 10, 2020 – there is still funding available for forgivable PPP loans, and small businesses are encouraged to apply. Moreover, on June 5, 2020, the Paycheck Protection Program Flexibility Act was signed into law. This law increases the flexibility of how businesses can use their PPP loans without jeopardizing their loan forgiveness. On July 4, 2020, the President also signed into law a bill that extends the application deadline of the PPP from June 30, 2020 to August 8, 2020.**

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The Paycheck Protection Program (PPP), created as part of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, was created to provide cash-flow assistance through 100 percent federally guaranteed loans. The PPP has no SBA fees and provides at least six months of deferral with maximum deferrals of up to a year. Moreover, if the employers meet specific requirements – including maintaining payroll during this emergency – these loans can be forgiven for up to 8 weeks of payroll based on employee retention and salary levels.

Small businesses and other eligible entities will be able to apply if they were harmed by COVID-19 between February 15, 2020 and December 31, 2020. This program is retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls.

## **Loans are available through December 31, 2020.**

The PPP was created on the foundation of SBA's 7(a) loan program. Accordingly, the application process for PPP loans is currently structured around the 7(a) loan program.

All current SBA 7(a) lenders are eligible lenders for PPP. The Department of Treasury will also oversee authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.

You can apply for a 7(a) loan through the PPP with a bank or a mission-based lender.

More information about 7(a) loans generally can be found here:  
<https://www.sba.gov/partners/lenders/7a-loan-program/types-7a-loans>.

For additional information or to obtain help preparing the loan application, you can contact the Virginia SBA district office in Richmond at (804) 771-2400 or by visiting their website at <https://www.sba.gov/offices/district/va/richmond>.

# The Paycheck Protection Program (PPP) FAQs

## What is a PPP loan?

A PPP loan is a 100 percent SBA guaranteed loan, which allows for loan forgiveness to employers who maintain their payroll during this emergency.

## Who can to apply for an PPP loan?

In order to be eligible for a PPP loan, businesses must meet the following criteria:

- Businesses and entities must have been in operation on February 15, 2020.
- Small Business Concerns as defined by Section 3 of the Small Business Act, a IRS 501(c)(3) nonprofit organization, a IRS 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees or fewer employees than established by the relevant industry code.
- For more information on SBA size standards, please visit the following link: <https://www.sba.gov/size-standards/>. You will need the 6-digit North American Industry Classification Code for your business to properly utilize this link.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a North American Industry Classification System code beginning with 72, for which the affiliation rules are waived.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company. For more information on affiliation rules: [https://www.sba.gov/sites/default/files/affiliation\\_discussion\\_0.pdf](https://www.sba.gov/sites/default/files/affiliation_discussion_0.pdf).

## How do you apply for a PPP loan?

Eligible Businesses can apply for a 7(a) loan through the PPP with a bank or a mission-based lender.

SBA's Free Referral Service for 7(a) loans can be found here: <https://www.sba.gov/funding-programs/loans/lender-match>.

Many lenders have added additional stipulations to the loan application process that restrict PPP loans to borrowers who have an existing relationship with the lender. I have requested SBA and the Department of the Treasury issue guidance disallowing additional stipulations.

The maximum PPP loan amount available to a small business is 2.5 times the business' average monthly payroll costs, up to \$10 million. A small business can only receive one PPP loan, so it is suggested that businesses consider applying for the maximum amount they are eligible for.

## How can the loan be used?

Allowable uses of the loan proceeds are as follows:

- Payroll costs;

- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
- Employee salaries, commissions, or similar compensations (exclusions of salaries above \$100,000 and compensation of employees whose principal place of residence is outside of the U.S.);
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation);
- Rent (including rent under a lease agreement);
- Utilities; and
- Interest on any other debt obligations that were incurred before the covered period.

### **Can the loan be forgiven?**

Loans can be forgiven if employers use the loan within the 24-week covered period, maintain their payroll, and meet other requirements. Expenses that the loan can be used for and be forgiven include:

(1) payroll costs; *plus*

(2) interest on mortgage obligations; *plus*

(3) rent; *plus*

(4) utilities.

Current SBA guidance stipulates that 60 percent of a PPP loan must be spent on payroll in order to receive full loan forgiveness.

You must apply through your lender for forgiveness on your loan. In this application, you must include:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings
- Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use

### **Can you take out multiple loans in tandem?**

Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs).

# U.S. Small Business Administration Economic Injury Disaster Loans & Emergency Economic Injury Grants

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**As of June 17, 2020, the U.S. Small Business Administration (SBA) has reopened the Economic Injury Disaster Loan (EIDL) program for all 10 counties in Virginia's Seventh District.**

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The U.S. Small Business Administration (SBA) offers low-interest federal disaster working capital loans to Virginia businesses suffering from economic injury as a result of COVID-19. Following a disaster declaration from Governor Ralph Northam, businesses in the Commonwealth are now eligible for assistance from SBA Economic Injury Disaster Loans (EIDL).

Small businesses and private non-profits harmed by COVID-19 that have already applied for an Economic Injury Disaster Loan may also request an Emergency Economic Injury Grant. The grant does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent, and mortgage payments.

Central Virginians are encouraged to apply online at <https://covid19relief.sba.gov/#/>.

Applicants should direct questions to the SBA disaster assistance customer service center at (800) 659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov) or call the SBA's Richmond District Office at (804) 771-2400.

For more information on the Economic Injury Disaster Loan program, you can visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

# SBA Economic Injury Disaster Loans (EIDL) FAQs

## What is an EIDL?

The EIDL is a low-interest, fixed-rate loan that can provide up to \$2 million in assistance for a small business. Applicants apply through SBA's Disaster Assistance Program, rather than a bank. Loan amounts are based on the amount of economic injury and do not replace lost sales or revenue.

## Who can apply for an EIDL?

To be eligible, you must be a small business of 499 employees or fewer. Eligible businesses include:

- Retailers, restaurants, recreational facilities, tourism businesses, manufacturers, owners of rental property, hotels, and wholesalers
- Private non-profits
- Small agricultural cooperatives
- Small aquaculture businesses

## How do you apply for an EIDL?

Small businesses who are eligible to apply for a Federal Disaster Loan can access the application using the link: <https://disasterloan.sba.gov/ela/>.

## How can the loan be used?

The loans are for working capital, including fixed debts, payroll, accounts payable, and other bills that cannot be paid due to the impact of COVID-19.

## Can the loan be forgiven?

EIDLs are not subject to the loan forgiveness offered under the PPP. However, a business can refinance an EIDL into a PPP loan in order to be eligible for loan forgiveness.

## Can you take out multiple loans in tandem?

Whether you've already received an EIDL unrelated to COVID-19 or you receive a COVID-19 related EIDL and/or Emergency Grant between January 31, 2020 and June 30, 2020, you may also apply for a PPP loan. If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP. If you receive both a PPP loan and EIDL, the two loans must be used for different purposes. Please see the allowed uses of each loans in their FAQs.

# Emergency Economic Injury Grants FAQs

## What is an Economic Injury Grant?

An Economic Injury Grant is an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 that have already applied for an SBA Economic Injury Disaster Loan (EIDL).

## Who can to apply for an Economic Injury Grant?

Businesses that are eligible for an EIDL, have already applied for an EIDL, and have been in operation since January 31, 2020, can apply for an Economic Injury Grant.

## How do you apply for an Economic Injury Grant?

To access the grant, you must first apply for an EIDL (access the application using the link: <https://disasterloan.sba.gov/ela/>) and then request the advance.

## How can the grant be used?

The grant may be used to for multiple purposes:

- Keep employees on payroll;
- Pay for sick leave;
- Meet increased production costs due to supply chain disruptions; and
- Pay business obligations, including debts, rent and mortgage payments

## Can the grant be forgiven?

This grant does not need to be repaid under any circumstance. However, you do have to first apply for an EIDL to be eligible for this grant, and EIDLs are not subject to loan forgiveness.

If you ultimately receive a PPP loan or refinance an EIDL into a PPP loan, any advance amount received under the Emergency Economic Injury Grant Program would be subtracted from the amount forgiven in the PPP.



## National Resources

The U.S. Chamber of Commerce has information on resources and assistance for individuals and businesses affected by the COVID-19 outbreak. You can find more information at <https://www.uschamber.com/coronavirus> or call (800) 638-6582.

The U.S. Chamber of Commerce also has a small business resource guide that features guidance on adapting to telework, business strategies, and support for employees during this crisis. You can find the resource guide here: <https://www.uschamber.com/co/small-business-coronavirus>.

The National Main Street program offers community support and resources for small businesses impacted by COVID-19. For more information, you can visit <https://www.mainstreet.org/howwecanhelp/resourcecenter/covid19resources> or call (312) 610-5613.

## State and Local Resources

The Virginia Small Business Development Center has many resources, including webinars on disaster loans, teleworking strategies, and business financing. These webinars are also offered in Spanish. For more information visit <https://www.virginiabdc.org/covid/>.

The Central Virginia branch of the Small Business Development Center also has disaster loan webinars, as well as links to the EIDL loan application portal and information for the city of Charlottesville and Albemarle and Fluvanna counties. For more information, you can visit <https://www.centralvirginia.org/small-business-development-center/> or call (434) 295-8198.

The Virginia Chamber of Commerce has an online resource center with information from the Virginia Department of Health, US Chamber of Commerce, and the Governor's Office. You can find it at <https://www.vachamber.com/covid-19/>.

The Greater Richmond Partnership provides a list of small business resources for Chesterfield, Hanover, and Henrico counties. You can find this list at <https://www.grpva.com/covid-19/>.

The Virginia Restaurant, Lodging & Travel Association (VRLTA) has resources and guidance for restaurant workers, including information on filing for unemployment, local employee relief funds, and job postings. For more information, visit <https://www.vrlta.org>.

# Additional Support and Guidance for Virginia Businesses

## **New support, rules, and guidance for impacted businesses in Virginia**

- Virginia received a statewide Economic Injury Disaster Loan declaration from the U.S. Small Business Administration (SBA). Small businesses and non-profit organizations located throughout the state can now apply for a loan of up to \$2 million from the SBA to pay fixed debts, payroll, accounts payable, and other expenses.
- Regional workforce teams will be activated to support employers that slow or cease operations. Employers who do slow or cease operations will not be financially penalized for an increase in workers requesting unemployment benefits.
- Governor Northam is directing all employers to follow U.S. Department of Labor guidance on workplace safety.
- The Governor authorized rapid response funding, through the Workforce Innovation and Opportunity Act, for employers eligible to remain open during this emergency. Funds may be used to clean facilities and support emergency needs.
- To support small restaurants, Virginia ABC is waiving regulations to allow restaurants to deliver beer and wine via take-out and delivery.

# Banking Assistance

Many banks have established contact lines to work with individuals whose banking or financial situation has been impacted by COVID-19. If your bank is not listed below, reach out to them and ask what they are doing to assist those affected by COVID-19. The Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) have also put out resources and information for bankers.

FDIC: <https://www.fdic.gov/coronavirus/index.html>

NCUA: <https://www.ncua.gov/>

## Bank Contact Lines

- Bank of America: <https://about.bankofamerica.com/promo/assistance/latest-updates-from-bank-of-america-coronavirus>
- Capitol One: <https://www.capitalone.com/coronavirus/>
- Chase: <https://www.chase.com/digital/resources/coronavirus>
- CitiBank: <https://online.citi.com/US/JRS/pands/detail.do?ID=covid19>
- Discover: <https://www.discover.com/coronavirus/>
- Fifth Third Bank: <https://www.53.com/content/fifth-third/en/alerts/covid-support.html>
- Marcus by Goldman Sachs: 844-627-2876
- PNC: <https://www.pnc.com/en/customer-service/coronavirus-update.html>
- TCF Bank: <https://www.tcfbank.com/about-tcf/covid19>
- Truist: <https://www.truist.com/coronavirus-information>
- US Bank: <https://www.usbank.com/splash/covid-19.html>
- Wells Fargo: <https://newsroom.wf.com/press-release/corporate-social-responsibility/wells-fargo-donates-625-million-aid-coronavirus>