

The Coronavirus Aid, Relief, and Economic Security (CARES)

April 1, 2020

The **Coronavirus Aid, Relief, and Economic Security (CARES) Act** allocated \$350 billion to help small businesses (under 500 employees) keep workers employed during the current challenge.

One option, known as the **Economic Injury Disaster Loan (EIDL)**, is available now in Texas and assists businesses with things like accounts payable and fixed costs. Businesses need to apply directly with the SBA - [Click here to get started](#).

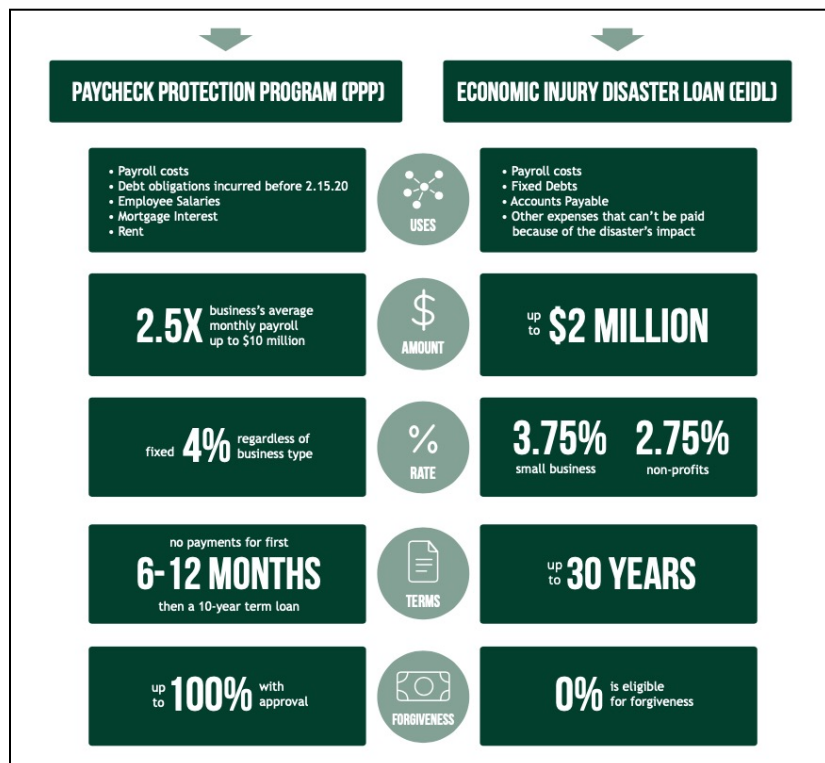
The Paycheck Protection Program (PPP) application is available now and provides 100% federally guaranteed loans to small businesses.

Importantly, these loans may be forgiven if the proceeds are used to pay eligible expenses and/or maintain payroll. See more information below.

Complete this form and return it to your WTNB Banking Officer to get started.

We stand ready to help you navigate which program is best for your business and walk you through it every step of the way. The **SBA PPP** rollout is forthcoming and fluid and below is some helpful information. At any point in this process, don't hesitate to call your WTNB Banking Officer for further assistance. 877-493-7862.

Choose the SBA Relief Program that is Right for Your Business:





PRESS OFFICE

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With \$349 Billion in Emergency Small Business Capital Cleared, SBA and Treasury Begin Unprecedented Public-Private Mobilization Effort to Distribute Funds

WASHINGTON – Following President Trump’s signing of the historic Coronavirus Aid, Relief, and Economic Security (CARES) Act, SBA Administrator [Jovita Carranza](#) and Treasury Secretary [Steven T. Mnuchin](#) today announced that the SBA and Treasury Department have initiated a robust mobilization effort of banks and other lending institutions to provide small businesses with the capital they need.

The CARES Act establishes a new \$349 billion Paycheck Protection Program. The Program will provide much-needed relief to millions of small businesses so they can sustain their businesses and keep their workers employed.

“This unprecedented public-private partnership is going to assist small businesses with accessing capital quickly. Our goal is to position lenders as the single point-of-contact for small businesses – the application, loan processing, and disbursement of funds will all be administered at the community level,” said Administrator Carranza. “Speed is the operative word; applications for the emergency capital can begin as early as this week, with lenders using their own systems and processes to make these loans. We remain committed to supporting our nation’s more than 30 million small businesses and their employees, so that they can continue to be the fuel for our nation’s economic engine.”

“This legislation provides small business job retention loans to provide eight weeks of payroll and certain overhead to keep workers employed,” said Secretary Mnuchin. “Treasury and the Small Business Administration expect to have this program up and running by April 3rd so that businesses can go to a participating SBA 7(a) lender, bank, or credit union, apply for a loan, and be approved on the same day. The loans will be forgiven as long as the funds are used to keep employees on the payroll and for certain other expenses.”

The new loan program will help small businesses with their payroll and other business operating expenses. It will provide critical capital to businesses without collateral requirements, personal guarantees, or SBA fees – all with a 100% guarantee from SBA. All loan payments will be deferred for six months. Most importantly, the SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll costs, rent, utilities, and mortgage interest.

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The Paycheck Protection Program is specifically designed to help small businesses keep their workforce employed. Visit [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus) for more information on the Paycheck Protection Program.

- The new loan program will be available retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.

Loan Terms & Conditions

- ✓ Eligible businesses: All businesses, including non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries
- ✓ Maximum loan amount up to \$10 million
- ✓ Loan forgiveness if proceeds used for payroll costs and other designated business operating expenses in the 8 weeks following the date of loan origination (due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs)
- ✓ All loans under this program will have the following identical features:
 - Interest rate of 0.5%
 - Maturity of 2 years
 - First payment deferred for six months
 - 100% guarantee by SBA
 - No collateral
 - No personal guarantees
 - No borrower or lender fees payable to SBA

SBA's announcement comes on the heels of a series of steps taken by the Agency since the President's Emergency Declaration to expeditiously provide capital to financially distressed businesses affected by the Coronavirus (COVID-19) pandemic. Since March 17, SBA has taken the following steps:

- [Declared all states and territories eligible for Economic Injury Disaster Loan assistance](#)
- 1-year deferment on Economic Injury Disaster Loans provided due to COVID-19
- [Automatic deferment of previous disaster loans for homeowners and businesses through 2020](#)
- Waiver of garnishments through 2020

Visit [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus) for more information on SBA's assistance to small businesses.

Treasury Issues Guidelines, Application Form for SBA Paycheck Protection Program (PPP)

April 1, 2020

The Treasury Department yesterday issued much-anticipated guidance for the Paycheck Protection Program, which starting this week will provide up to \$350 billion in fully forgivable loans to help small businesses maintain payrolls during the coronavirus pandemic. The loans are fully guaranteed by the Small Business Administration, but the SBA will waive all SBA guaranty fees. PPP loans are made for two years at a 0.5% fixed rate with payments deferred for six months.

All banks, as well as a broad range of nonbanks, are eligible to make PPP loans. Existing SBA-certified lenders will be given delegated authority; others must be approved before making loans. Banks that have not yet been certified with the SBA should submit an application to delegatedauthority@sba.gov.

The SBA will quickly verify that banks applying are federally regulated, and new applicants will be able to process applications as soon as Friday, according to a senior administration official.

To underwrite PPP loans, lenders will need to verify that the borrower was in operation on Feb. 15, 2020, and that it had employees for whom it paid salaries and payroll taxes. The lender will also have to verify the dollar amount of average payroll costs. The SBA will not review loan applications, according to a senior administration official, but lenders will receive an SBA loan number and verify that the applicant has not already received a PPP loan.

The SBA will pay the lender a processing fee calculated on the loan balance, ranging from 1% for loans of over \$2 million to 5% for loans of \$350,000 or less. PPP loans may be sold in the secondary market, and the SBA will not collect fees for guarantees sold. The guidance includes fee caps for agents assisting with loan applications.

Small businesses and sole proprietorships—generally, those with 500 or fewer employees—may apply for PPP loans starting on Friday, April 3; independent contractors and self-employed workers can apply starting April 10. PPP loans will be fully forgiven when used for payroll costs, interest on mortgages, rent and utilities, with at least three quarters of the forgiven amount being used for payroll; forgiveness is based on employers maintaining headcount or quickly rehiring and maintaining salary levels.

Read the information sheet for borrowers. [Paycheck Protection Program Information for Borrowers](#)
View the loan application form. [Paycheck Protection Program Application](#)

Learn more at:

treasury.gov/cares
covid19relief.sba.gov



Small Business Administration (SBA) Loan Customer Information – 7a Loans

April 1, 2020

States/counties that have been declared a disaster are listed on the SBA's Disaster Loan Assistance page <https://disasterloan.sba.gov/ela/Declarations/Index>.

Please reference this list regularly to see if your county has been declared. If your county has been declared a disaster area, go to <https://disasterloan.sba.gov/ela/> to apply for assistance.

Contact your Banking Officer for additional information. 877-493-7862.

Information Regarding Existing 7(a) Loans:

Under the CARES Act, 7(a) Borrowers are relieved of any obligation to pay the principal, interest and any associated fees that are owed on a 7(a) loan in a regular servicing status (including Community Advantage loans) for a 6-month period beginning with the first payment due on a loan after March 27, 2020.

SBA will pay this first loan payment to the Lenders within 30 days of the first loan payment due date after March 27, 2020. If a Lender receives a loan payment from a Borrower after March 27, 2020, the Lender must inform the Borrower that it has the option of the Lender either returning the loan payment to the Borrower or applying the loan payment to further reduce the loan balance after application of SBA's payment.

To make the first payment, SBA will need Lenders to provide the gross monthly loan amount due (that includes both the guaranteed and non-guaranteed portions of the loan) as soon as possible to the FTA. SBA will provide further guidance to Lenders on the method and the date by which Lenders must provide the gross monthly loan amount.

SBA will continue to provide guidance on these loans. Please see the attached March 31, 2020, Press Release.

