

To be included on the AMBA site, regarding the SBA and CARES Act loan.

As part of our continued effort to provide you with resources you can make use of during this COVID-19 crisis, we provide you with some guidance on the structure of the SBA's Economic Injury Disaster Loan (SIDL) program for COVID-19. The SIDL can be used to pay fixed debt, payroll, accounts payable, and other bills that cannot be paid due to the Coronavirus crisis. The SIDL is different than the CARES Act loan which Congress is seeking to pass. A CARES Act loan will be administered by your local bank, is a forgivable loan up to a maximum of \$10 million, but is limited to employers with less than 500 employees. The application materials for the CARE loan have not yet been released. A company is prevented from applying for both the SIDL and CARES Act loan.

Attached are the following two documents relating to SIDL:

1. SBA EIDL Fact Sheet – This answers a number of questions you will have with respect to the program and provides some details on the structure.
2. SBA EIDL Checklist – This provides a list of all of the items needed to apply for the EIDL loans as well as links to the electronic form (and in some cases instructions) for each document

A few things to note:

1. The SBA is being bombarded with questions and applications already. Wait times to speak with an SBA rep are pretty long (an hour or more) and often times the rep is not able to answer detailed questions.
2. The SBA is making changes to its website, so we expect there to be some fluidity with respect to this process.
3. One of the criteria for the loans is that the applicant does not have access to other credit. The SBA has indicated they are basically taking the applicant at their word that they do not have credit available.
4. You will be required to allow the SBA to place a lien on your assets. If you have secured financing in place, you should be in constant communication with your primary lender to make sure the primary lender is OK with you taking on the additional debt and granting liens on your assets.

If you have further questions or need assistance with the SBA or CARES Act loan, please feel free to reach out to Alan Rothenbuecher at [har@beneschlaw.com](mailto:har@beneschlaw.com) or 216-363-4436.