March 31, 2020
Economic Injury Relief Program Overview
Virtual Conference <<VIEW VIDEO>>

Speakers on this Virtual Conference
• David Perdue, Senior U.S. Senator
• Ashley D. Bell, U.S. Small Business Administration (SBA) Regional Administrator
• Joseph Shuford, Synovus Director of Gov. Guaranteed Lending
• Chris Clark, Georgia Chamber President & CEO (host)

U.S. Senator David Perdue launched the conversation with a review of the CARES Act signed into law on Friday, March 27, 2020.

Individual Relief:
• Increased Unemployment insurance with an additional $600 per week and 13-week extension.
• Recovery rebate- a one-time direct payment of up to $1,200 and married couples will receive $2,400, plus an additional $500 per child. The full payments are available for incomes up to $75,000 for individuals and $150,000 for married couples.
• Waiving of retirement account early withdrawal penalty.

Business relief:
• Paycheck protection program with loan forgiveness- targeted for small businesses and 501(c )3 non-profits.
• General business loan backing which can be leveraged up to $3 to 4 trillion to offset a liquidity crisis. All businesses are eligible, but this is targeted for businesses over 500 employees.
• Payroll tax deferral-remaining 2020 payroll taxes are to be paid over the following two years, with half of the amount to be paid by December 31, 2021 and the other half by December 31, 2022.

State and Local Government Relief:
• Every state will receive at least $1.25 billion. Some states will receive additional funding based on need.

Other & Medical Relief:
• Additional medical supplies
• Expanding Testing
• Adding more hospital beds
• Additional rules related to federal assistance must be issued by April 6th. It is likely rules related to SBA’s paycheck protection program will be in place by Friday, April 3rd.
• Regarding the Paycheck Protection Program, Sen. Perdue shared that businesses should begin speaking with their local bankers as soon as possible in anticipation of U.S. Treasury Department rules being finalized and the breadth of banks that will be participating in the program.

More Information and Questions:
• www.Perdue.senate.gov
• 404-865-0087 Sen. Perdue’s Georgia Office

Ashley D. Bell, SBA Regional Administrator offered insights and direction for SBA Loan/Relief application
• Over 98% of Americans businesses are small and nearly half of our workers work for small businesses. However, most small businesses have only 1-3 months of operating capital on hand.
• Georgia had some of the first Economic Injury Disaster Loans (EIDL) because of coordination of Governor Kemp with SBA.
• EIDL loans have an immediate $10,000 advance built, in the form of the EIDL grant, as relief for small businesses. Grants are issued within 72 hours of a business applying for the economic injury disaster loan. Details are available at SBA.gov. Economic injury disaster loans are available to non-religious non-profits, including 501(c )(6) organizations
• Payroll Protection Program (“PPP”) is available as cash infusions for small businesses through local banking lenders. The loan may be up to $10,000,000 or 2.5 times a business’s average monthly payroll over the last year. Loans may be partially forgiven up to the amount spent by the borrower during an 8-week period after the loan is granted on payroll costs, interest payments, mortgage or rent, utilities. Loan forgiveness is contingent upon employee retention and payroll stability.
  o Lenders already participating in the SBA’s 7(a) program are immediately eligible to participate. The U.S. Treasury Department will issue additional rules allowing additional lenders to participate in the program.
  o Lenders should have standard operating procedures by Friday, April 3rd.

Questions about the Payroll Protection Program:
• Can businesses that have already let employees go participate in the program? Yes, an employer may re-hire any employees laid off after February 15th and use the Payroll Protection Program for their payroll needs and for the purposes of forgiveness calculations.
• What about 1099 employees? 1099s contractors cannot be used for the purpose of calculating PPP loan amounts because they are not on an employer’s payroll. However, 1099 contractors can apply for the Payroll Protection Program through their business or as a sole proprietor.
• Is there an average fee a business can expect to pay if they hire someone to complete the application? The SBA has set $2500 as a maximum “reasonable fee” for a loan preparer, however guidance on this may change and will be updated at SBA.gov.
• How does the Payroll Protection Program interact with a traditional loan or the Economic Injury Disaster Loan? A loan from a private bank can roll into a PPP, and your lender will be able to facilitate that. A business may use a PPP and EIDL concurrently, but you cannot duplicate the purpose of the loan.
• Are religious organizations eligible for the Payroll Protection Program? 501(c )(3) religious organization are eligible for PPPs, specifically for secular activities like childcare, soup kitchen, ministries serving the public like a drug rehabilitation program.
Joseph Shuford, Director of Government Guaranteed Lending for Synovus Bank highlighted a few key points from the banking industry perspective.

- Synovus Bank advises that businesses reach out to their lending institutions to confirm their participation in the PPP program.
- PPP is excellent for short-term cash infusion, but many businesses are going to need additional assistance to manage the long-term effects of this crisis.
- It is important to understand the difference between EIDL and PPP programs, and Synovus has attached an immensely helpful guide.
- Businesses lenders should be able to guide their clients to the product that is right for them whether that is a PPP, EIDL or another SBA product or conventional loan product.

The Georgia Chamber seeks to provide access to recommendations, regulations, services and expertise to its members. During the COVID-19 pandemic, this mission remains constant. Prior to acting, members should consult their own professional advisors for information and counsel specific to the individual and unique situations faced by organizations, individuals and corporations. The opinions, interpretations and recommendations of the Georgia Chamber are informational only and should not be relied upon by the recipient as legal or professional advice.