



COLORADO READY MIXED  
CONCRETE ASSOCIATION

## FEDERAL LENDING & GRANTS GUIDANCE

### COVID-19 Pandemic 2020

Adapted from Denver Metro Chamber of Commerce Guidance

#### Paycheck Protection Program

The SBA and partner banks are ramping up for the Paycheck Protection Program, part of the federal CARES Act enacted Friday. This program provides potentially forgivable loans in amounts to cover 2.5 months of payroll or \$10 million (whichever is less). No personal guarantee or collateral is required.

The business and its lender negotiate loan terms, but annual or guarantee fees are waived. Importantly, the loans may be fully or partially forgiven if the money is used for payroll, health care premiums, rent, mortgage interest or utilities, AND the employer either continues to employ its workers or rehires them when they reopen for business.

The lenders and final rules of the program have not yet been finalized. However, after consulting with our banking partners, we'd recommend the following:

- **Contact your current lending institution** to see if they are a preferred SBA lender and verify that they can help once the program has been activated.
- **Get your information ready.** In evaluating eligibility, lenders are directed to consider whether the borrower was in operation and paying employees or contractors before Feb. 15, 2020.
- **Lenders will also ask you for a good-faith certification** that includes information about why you need the loan, how you will use it, current loan applications and the date you started doing business.
- **If you are an independent contractor, sole proprietor or self-employed individual**, lenders will also likely need your payroll tax filings, forms 1099-MISC and income and expense statements.

#### SBA Economic Injury Disaster Loans

[SBA low-interest disaster loans](#) of up to \$2 million are available to small businesses and nonprofits without alternative credit available. These loans can be used to pay fixed debts, payroll, accounts payable and additional bills that can't be paid because of COVID-19's impact.

In order to prepare, you will need to fill out the following forms:

- Completed SBA loan application ([SBA Form 5](#))
- Tax Information Authorization ([IRS Form 4506T](#)) for the applicant, principals and affiliates
- Complete copies of the most recent Federal Income Tax Return
- Schedule of Liabilities ([SBA Form 2202](#))

- Personal Financial Statement ([SBA Form 413](#))
- Income, balance sheet and cash flow documents
- Other information may also be requested

#### [SBA EIDL paper forms and instructions](#)

You can apply for these loans online at [covid19relief.sba.gov/#/](https://covid19relief.sba.gov/#/).

#### **SBA Express Bridge Loans**

- The [Express Bridge Loan Pilot Program](#) allows small businesses that currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork.
- Find an Express Bridge Loan Lender via [SBA's Lender Match Tool](#) or by connecting with your local [SBA District Office](#).

Businesses can apply for both Paycheck Protection Loans and Economic Injury Disaster Loans, as they are nonconflicting programs. Reach out to your current lender for assistance and recommendations.

#### **Other Notes**

- View the U.S. Chamber of Commerce [Coronavirus Emergency Loans Small Business Guide and Checklist](#).
- [View](#) the U.S. Senate Committee on Small Business & Entrepreneurship Small Business Owner's Guide to the CARES Act.
- President Trump approved Colorado's Disaster Declaration, unlocking more federal funding for state, local and tribal recovery efforts. [View the announcement](#).