Financial Assistance for Small Businesses in Light of COVID-19

Select Listing as of April 28, 2020

List not exhaustive – Terms and eligibility may differ for nonprofits

In light of COVID-19, a NY small business may be eligible for loan, grant and other forms of relief at the federal, state and/or private levels.

**Loans (see PPP forgiveness terms)**

- **On or before March 13, 2020**
  - SBA EIDL, Express Bridge Loan
    - Up to 6% over prime rate loan, 7 year term
    - Up to $25,000 principal amount
    - Pre-existing relationship with SBA-approved lender
    - Min acceptable Small Business Scoring Service Score is 130

- **On or before February 15, 2020**
  - SBA Paycheck Protection Program
    - 1% fixed rate loan from participating lender; 2 year term
    - Principal up to issuer of $10 million or 2.5 times average monthly payroll costs
    - Repayment deferred for first 6 months
    - Must have paid salaries and payroll taxes
    - Loan forgiveness for 8 week period available based on fund-use; number of full-time equivalent employees and salaries maintained, etc.

- **On or before January 31, 2020**
  - Economic Injury Disaster Loan
    - Must first apply for SBA EIDL
    - Up to $10,000 grant advance on EIDL, (in practice, $1,000/employee)

- **Other**
  - Consider private grant options such as those available through:
    - Facebook Small Business Grants
    - LinkedIn Small Business Relief Initiative
    - GoFundMe Small Business Relief Initiative
    - Kiva, Red Backpack Fund
    - Other

**Grants**

- **On or before March 13, 2020**
  - SBA EIDL, Express Bridge Loan
    - Up to 6% over prime rate loan, 7 year term
    - Up to $25,000 principal amount
    - Pre-existing relationship with SBA-approved lender
    - Min acceptable Small Business Scoring Service Score is 130

- **On or before February 15, 2020**
  - SBA Paycheck Protection Program
    - 1% fixed rate loan from participating lender; 2 year term
    - Principal up to issuer of $10 million or 2.5 times average monthly payroll costs
    - Repayment deferred for first 6 months
    - Must have paid salaries and payroll taxes
    - Loan forgiveness for 8 week period available based on fund-use; number of full-time equivalent employees and salaries maintained, etc.

- **On or before January 31, 2020**
  - Economic Injury Disaster Loan
    - Must first apply for SBA EIDL
    - Up to $10,000 grant advance on EIDL, (in practice, $1,000/employee)

- **Other**
  - Consider private grant options such as those available through:
    - Facebook Small Business Grants
    - LinkedIn Small Business Relief Initiative
    - GoFundMe Small Business Relief Initiative
    - Kiva, Red Backpack Fund
    - Other

**Does the small business have existing loans with private lenders?**

Yes

- Reach out to current lenders to discuss relief options that may be available, in addition to those available through federal programming

**Does the small business already have an SBA loan outstanding?**

Yes

- Small Business Debt Relief
  - Immediate relief to small businesses on existing SBA loans

**Is the small business currently paying employees’ student loans?**

Yes

- Student Loan Repayment Assistance
  - Allowing employers to pay employee student loans on tax-free basis

**Is the small business seeking forms of federal tax relief?**

Yes

- Employee Retention Tax Credit
  - Refundable payroll tax credit for 50 percent of wages paid to certain employees

- Employer Portion of Payroll Taxes Relief
  - Delays the due date of the employer portion of 2020 payroll taxes (50% due 12/31/2021, 50% due 12/31/2022)
  - Recipient not eligible if receiving PPP assistance

**Other tax reductions**

- For 2020 tax year, allows not operating loss carryovers to offset 100% of a taxpayer’s allowable income
- For 2019 and 2020 tax years, increases on deductibility of interest expense to 25%
- Extends the due date of the payment portion of 2020 payroll taxes

**Bankruptcy Protection**

- Expands the threshold for qualifying as a “small business debtor” under Chapter 11 of the Bankruptcy Code
- Businesses with aggregate debts up to $7.5M may qualify

**Is the small business facing bankruptcy?**

Yes

- Pandemic Unemployment Assistance may be available
- Recipients are eligible for an additional $600 per week until 7/31/2020

**Is the business owner unable or unavailable to work or only working part time due to COVID-19?**

Yes

- **U.S. Federal Programming**
  - Paycheck Protection Program (PPP)
  - Economic Injury Disaster Loan (EIDL)

- **NY Programming**
  - Statewide Pandemic Unemployment Assistance Program
  - Pandemic Pre-Employment Assistance Program

- **Private Programming**
  - Google’s Ad Grant Program
  - Wefunder
  - Restaurant Workers Community Foundation

**Min acceptable Small Business Scoring Service Score is 130**

**This information is current as of April 28, 2020, and should not be considered comprehensive. This is not a substitute for, and should not be relied upon as, legal or professional advice; we recommend that you consult professional advisors for guidance on your individual circumstances. Nothing contained herein creates an attorney-client relationship with Cleary Gottlieb. Information is not intended to be construed as an endorsement of any specific financial program.**