

April 2, 2020

Aid for Small Businesses: CARES Act Application Begins 4/3

The [Coronavirus Aid, Relief and Economic Security \(CARES\) Act](#) was signed into law on March 27th. The law contains \$350 billion in aid for small businesses in the form of favorable and, in some cases, forgivable loans.

If your business has less than 500 employees, you are likely eligible for the Paycheck Protection Program. Certain industries, namely accommodations and food services, may be eligible for the program even if the business has more than 500 employees.

Key Features of the Paycheck Protection Program:

- Loan amount is 2.5x the average monthly payroll costs, not to exceed \$10 million
- Loans are forgivable for employers that maintain or restore pre-crisis payroll
- No collateral, personal guarantees or fees
- Interest rate is capped at 4% with deferment available for 6 months to 1 year
- Funds can be used for payroll expenses, rent, utilities, group health care benefits, insurance premiums and interest on existing debt

The application process for small businesses begins on April 3, 2020. The loans will be provided by banks that already issue SBA Business Loans so you will need to contact your bank to start the application process.

For more information, visit:

[Information for Borrowers](#)

[Borrower Application](#)

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