

Federal Resources for Small Businesses

Below is a brief overview of the federal loan and grant programs for Small Businesses included in the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act. Please discuss with your financial advisor to determine which program(s) may be right for your business.

Paycheck Protection Program (PPP)

First Draw PPP Loans

Overview:

- Applications are currently being accepted through [participating lenders](#)
- Deadline to apply: **March 31, 2021**
- **If you received or will receive a PPP Loan on or after December 27, 2020, you will be ineligible for a Shuttered Venue Operators Grant.**

Loan Details:

- Maximum loan: \$10 million
- The full principal amount of the loan may qualify for forgiveness
- Interest rate of 1% and maturity of five years
- Any borrower who received a First Draw PPP loan in 2020 is not eligible to receive another First Draw PPP Loan, but may be eligible for a Second Draw PPP Loan.
 - **Note:** Existing First Draw PPP borrowers that did not receive loan forgiveness by December 27, 2020 may:
 1. reapply for a First Draw PPP Loan if they previously returned some or all of their First Draw PPP Loan funds, or
 2. under certain circumstances, request to modify their First Draw PPP Loan amount if they previously did not accept the full amount for which they are eligible

Loan Calculation:

- Maximum loan size of 2.5X average monthly 2019 or 2020 payroll costs (up to \$10 million)
- For small businesses in industry **NAICS code 72** (Accommodation and Food Services), maximum loan size of **3.5X** average monthly 2019 or 2020 payroll costs (up to \$10 million)

Full Forgiveness Terms:

- First Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
 - Employee and compensation levels are maintained;
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60 percent of the proceeds are spent on payroll costs.

Eligibility:

- The following entities affected by COVID-19 may be eligible:
 - Sole proprietors, independent contractors, and self-employed persons
 - Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
 - **500 employees, or**
 - That meets the SBA industry size standard if more than 500
 - Any business in industry NAICS code 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location

- Must have been in operation as of **February 15, 2020**

How Can Funds be Used?

- Payroll costs including benefits
 - Salary, wages, commissions, and tips (capped at \$100,000 per employee)
 - Employee benefits including costs for vacation, parental, family, medical, or sick leave. Sick and family leave that utilized the Families First Coronavirus Response Act does not qualify.
 - Allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit
 - State and local taxes assessed on compensation
 - For a sole proprietor with no other employees: Schedule C, Line 31 will reflect the owner's salary (capped at \$100,000)
- Interest on a mortgage or on rent
- Utility payments
- Interest payments on any debt obligations that were incurred before February 15, 2020
- Refinancing on SBA EIDL loan (made between 01/31/2020 – 04/03/2020)
- Covered Operations Expenditures which includes software for business operations such as payroll, billing, accounting, and others.
- Covered property damage costs related to disturbances of 2020 not covered by insurance
- Covered supplier costs that supplied goods during the covered period and that had a contract, order, or agreement in effect prior to the covered period.
- Covered worker protection expenditures that facilitate the adaptation of the business activities to comply with required guidelines established by federal or state organizations. These include expenses related to employee and customer safety and include expenditures such as drive-through window installation, air filter or ventilation, physical barriers, and more.

More Information:

U.S. SBA: [First Draw PPP Loans](#)

Maine SBDC: [Round 2 of the Paycheck Protection Program](#)

Second Draw PPP Loans

Overview:

- Applications are currently being accepted through [participating lenders](#)
- Deadline to apply: **March 31, 2021**
- **If you received or will receive a PPP Loan on or after December 27, 2020, you are ineligible to apply for a Shuttered Venue Operators Grant.**

Loan Details:

- Maximum loan: \$2 million
- The full principal amount of the loan may qualify for forgiveness
- Interest rate of 1% and maturity of five years

Loan Calculation:

- Maximum loan size of 2.5X average monthly 2019 or 2020 payroll costs (up to \$2 million)
- For small businesses in industry **NAICS code 72** (Accommodation and Food Services), maximum loan size of **3.5X** average monthly 2019 or 2020 payroll costs (up to \$2 million)

Full Forgiveness Terms:

- Second Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
 - Employee and compensation levels are maintained in the same manner as required for the First Draw PPP loan;
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60 percent of the proceeds are spent on payroll costs.

Eligibility:

- The following borrowers may be eligible:
 - Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses;
 - Has no more than 300 employees; and
 - Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020

How Can Funds be Used?

- Payroll costs including benefits
 - Salary, wages, commissions, and tips (capped at \$100,000 per employee)
 - Employee benefits including costs for vacation, parental, family, medical, or sick leave. Sick and family leave that utilized the Families First Coronavirus Response Act does not qualify.
 - Allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit
 - State and local taxes assessed on compensation
 - For a sole proprietor with no other employees: Schedule C, Line 31 will reflect the owner's salary (capped at \$100,000)
- Interest on a mortgage or on rent
- Utility payments
- Interest payments on any debt obligations that were incurred before February 15, 2020
- Refinancing on SBA EIDL loan (made between 01/31/2020 – 04/03/2020)
- Covered Operations Expenditures which includes software for business operations such as payroll, billing, accounting, and others.
- Covered property damage costs related to disturbances of 2020 not covered by insurance
- Covered supplier costs that supplied goods during the covered period and that had a contract, order, or agreement in effect prior to the covered period.
- Covered worker protection expenditures that facilitate the adaptation of the business activities to comply with required guidelines established by federal or state organizations. These include expenses related to employee and customer safety and include expenditures such as drive-through window installation, air filter or ventilation, physical barriers, and more.

More Information:

U.S. SBA: [Second Draw PPP Loans](#)

Maine SBDC: [Round 2 of the Paycheck Protection Program](#)

Grants for Shuttered Venue Operators

Overview:

- Applications are not yet being accepted. SBA will give advanced notice of the date applications will open.
- **If you received or will receive a PPP Loan on or after December 27, 2020, you will be ineligible for a Shuttered Venue Operators Grant.**

Grant Details:

- Maximum grant: \$10 million
- Grant does not need to be repaid

Grant Calculation:

- For an eligible entity that was in operation on January 1, 2019, the award will equal 45% of their 2019 gross earned revenue (up to \$10 million)
- For an eligible entity that began operation after January 1, 2019, the award will equal the **average monthly gross revenue** for each full month you were in operation during 2019 multiplied by 6 (up to \$10 million)

Eligibility:

- Eligible entities include:
 - Live venue operators or promoters
 - Theatrical producers
 - Live performing arts organization operators
 - Relevant museum operators, zoos and aquariums who meet specific criteria
 - Motion picture theater operators
 - Talent representatives, and
 - Each business entity owned by an eligible entity that also meets the eligibility requirements
- Must have been in operation as of **February 29, 2020**
- Venue or promoter must not have received a PPP loan on or after December 27, 2020

How Can Funds be Used?

- Funds may be used for specific expenses, which include:
 - Payroll costs
 - Rent payments
 - Utility payments
 - Scheduled mortgage payments (not including prepayment of principal)
 - Scheduled debt payments (not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 02-15-20)
 - Worker protection expenditures
 - Payments to independent contractors (not to exceed \$100K in annual compensation per contractor)
 - Other ordinary and necessary business expenses, including maintenance costs
 - Administrative costs (incl. fees and licensing)
 - State and local taxes and fees
 - Operating leases in effect as of 02-15-20
 - Insurance payments
 - Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production. (May not be primary use of funds.)

More Information:

U.S. SBA: [Shuttered Venue Operators Grant](#)

COVID-19 Economic Injury Disaster Loans (EIDL)

Overview:

- Application deadline extended through **December 31, 2021**
- Loans are not forgivable and must be paid back
- **Receipt of a COVID-19 EIDL loan does not impact eligibility for a PPP loan or for a Shuttered Venue Operators Grant.**

Loan Details:

- Maximum loan: \$2 million or 6 months of working capital
- 3.75% interest rate for small businesses (fixed)
- 2.75% interest rate for nonprofit organizations (fixed)
- 30-year maturity
- Collateral required for loans over \$25,000

Eligibility:

- In order to be eligible, you must be a small business (in most industries, 500 employees or less), including:
 - Maine small businesses directly affected by the disaster – common eligible businesses including retailers, restaurants, tourism-based businesses, manufacturers, owners of rental property, hotels, wholesalers, and many more.
 - Private nonprofits
 - Small agriculture cooperatives are eligible, but agricultural enterprises are not
 - Small aquaculture businesses

How Can Funds be Used?

- Working capital and normal operating expenses, for example:
 - Continuation of health care benefits
 - Rent
 - Utilities
 - Fixed debt payments

More Information:

U.S. SBA: [COVID-19 Economic Injury Disaster Loans](#)

Maine SBDC: [What You Need to Know About SBA's EIDL Loan](#)

Supporting local partners and other resources

Maine SBA – Click the “Get Email Updates” button to receive the most up-to-date information about SBA’s small business resources. www.sba.gov/offices/district/me/augusta

Maine SBDC – Business advisors located throughout the state provide free, confidential advice. You can request advising on the website. www.mainesbdc.org/

SCORE – A free, volunteer-led service, SCORE has both general business mentors and subject area experts at chapters around the state. www.scoremaine.org/

Maine Resource Compass – A running list of COVID-19 resources for Maine businesses, including grants, loans, and other informational resources (powered by StartupSpace). startupSPACE.app/maine-resource-compass/recovery

CEI Maine – Request a business advisor through their website. <https://www.ceimaine.org/advising/>

CEI Women’s Business Center – Access events and programs specific to women business owners. www.ceimaine.org/advising/business-counseling-development/womens-business-center/

U.S. SBA Contact Information:

Phone: 1-800-659-2955 (TTY: 1-800-877-8339)

Email: disastercustomerservice@sba.gov

Email: SVOGrant@sba.gov (for Shuttered Venue Operators Grant-specific questions)

Website: www.sba.gov/funding-programs/loans/coronavirus-relief-options

