



Congressman Bill Pascrell, Jr.
Small and Medium Size Business Relief Fact Sheet



Federal Programs

Details of more than **\$758 billion** provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R.748) and Paycheck Protection Program and Health Care Enhancement Act (H.R. 266) to small businesses in response to the COVID-19 pandemic is below.

Paycheck Protection Program (PPP): This program provides zero-fee loans up to \$10 million to businesses and 501(c)(3) nonprofits with 500 or fewer employees, and self-employed workers. Up to 8 weeks of average payroll and other costs can be forgiven if the recipient retains its employees and maintains their salary levels. Principal and interest are deferred for up to a year and all borrower fees are waived. The temporary emergency assistance offered by the PPP can be used in coordination with other COVID-19 financing assistance or other existing SBA loan programs. The SBA must prioritize underserved borrowers, including minorities, women, veterans, and those in rural communities. More PPP information can be found [here](#) and [here](#).

Emergency Economic Injury Grants: SBA Economic Injury Disaster Loan (EIDL) program is enhanced to provide up to a \$10,000 advance to small businesses and nonprofits applying for an EIDL within three days of applying for the loan. EIDLs provide up to \$2 million with interest rates of up to 3.75% for companies and up to 2.75% for nonprofits. Loans can help pay expenses that could have been met had the disaster not occurred, including payroll and other expenses.

The EIDL \$10,000 advance does not need to be repaid, even if the applicant is subsequently denied an EIDL. It may be used to provide paid sick leave to employees, maintain payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. Eligible recipients must have been in operation on January 31, 2020. The advance is available to small businesses, private nonprofits, sole proprietors, independent contractors, tribal businesses, cooperatives, and employee-owned businesses.

A business receiving an EIDL between January 31, 2020 and June 30, 2020 because of a COVID-19 disaster declaration can apply for a PPP loan or refinance an EIDL into a PPP loan. In either case, the \$10,000 is subtracted for the amount forgiven in the PPP.

Debt Relief for Existing and New SBA Borrowers

All loan payments for existing SBA borrowers and new borrowers will be covered with standard SBA 7(a), 504 or microloans, including principal, interest, and fees, within six months of the enactment of the CARES Act. While SBA borrowers receive the six-months debt relief, borrowers may apply for a PPP loan that to help keep employees working. The six-month SBA payment relief may not be applied to payments on PPP loans. Permanent changes to the 7(a) Express Loan Program allow the SBA to waive fees for veterans and their spouses.

Paid Leave for Government Contractors: Small business contracts with the federal government can now be modified so employees receive paid leave. Small businesses will be reimbursed for

the cost of providing paid leave, including sick leave, to employees or subcontractors unable to perform work on-site due to a facility closure and with an inability to telework.

Business Counseling Services: The CARES Act provides additional resources to the national network of SBA Resource Partners, including Small Business Development Centers, Women’s Business Centers, and Minority Business Development Agency’s Business Centers. Funding allows these centers to hire more staff and expand programs to provide mentorship, guidance, and expertise to small businesses and minority-owned businesses responding to the crisis.

More information on can be found on the [SBA COVID-19 website](#) and the [SBA FAQ website](#).

New Jersey Programs

Below outlines programs Governor Phil Murphy and the New Jersey Economic Development Authority created to support small and mid-size businesses confronting the COVID-19 pandemic.

Small Business Emergency Assistance Grant Program: This program provides grants up to \$5000 for small businesses in retail, arts, entertainment, recreation, accommodation, food service, repair, maintenance, personal, laundry and similar services to stabilize operations and reduce layoffs or furloughs. This program provides working capital loans up to \$100,000 for businesses with less than \$5 million in revenues. Loans made through the program will have 10-year terms with zero-percent interest for the first five years, then resetting to the EDA’s prevailing floor rate (capped at 3%) for the remaining five years.

NJ Entrepreneur Support Program: This program provides entrepreneurs 80 percent loan guarantees for working capital to temporarily support capital flows during the crisis.

Small Business Emergency Assistance Guarantee Program: This program provides 50 percent guarantees on working capital loans and waives fees on loans made through institutions participating in EDA’s existing Premier Lender or Premier CDFI programs.

Emergency Technical Assistance Program: This program supports technical assistance to New Jersey-based companies applying for assistance through the SBA.

Community Development Finance Institution (CDFI) Emergency Loan Loss Reserve Fund: \$10 million capital reserve fund was established to provide low interest working capital to microbusinesses. This allows CDFIs to withstand loan defaults due to the crisis, enabling CDFIs to provide more loans at lower interest rates to microbusinesses affected by COVID-19.

CDFI Emergency Assistance Grant Program: This program provides grants of up to \$250,000 to CDFIs to scale operations or reduce interest rates for the duration of the COVID-19 outbreak.

More information on New Jersey’s COVID-19 programs can be found on [NJEDAs website](#).

Questions can be answered by calling Congressman Pascrell’s **Paterson office at (973) 523-5152** and **Washington, D.C. office at (202) 225-5751**.

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