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Webinar ID

Question

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Question

How do we know if we should apply for EIDL or PPP or both? What if we already submitted an EIDL, if and when should we apply for the PPP?

Answer(s)

You can apply for both, but you cannot actually have both loans. You can roll the EIDL loan into the PPP loan if you have received it before you are offered the PPP loan. If you decline the EIDL loan if you decide you don't want it after it is offered. SBA does not allow 2 loans for the same purpose.

If a business has been going for only months, are they eligible for help

The application states that you need to be in business for 12 months, but we are encouraging everyone to apply and make a case for your need based on the history you do have. If you have recently purchased a business, we recommend that you reference the seller's information and explain that it was the purchase of an ongoing business.

What if you filled out the loan application already and used a standard definition of COGS (just the raw materials that go into producing goods/services) and not the Schedule C definition? The difference for our company is hundreds of thousands of \$.

If you have already applied, I think you should wait to hear from the loan officer assigned to reach out to you to discuss.

I have a License Agreement with daylight donuts. Will that disqualify me as it's not a franchise but a License Agreement?

No, that shouldn't disqualify you. I would recommend that you apply.

Will this webinar come as a powerpoint document to listen to again and again for help?

Yes, it will be emailed to registered attendees, as well as the Q&A

I work with a lot of start-ups that do not have 12 months of history. What can we do?

We recommend that they apply anyway and make a case for their need based on what information they have.

So, even though the date is 12 months prior to 1/31/2020, we can use our full 2019 filing from 1/1/2019-12/31/2019?

yes

What do you expect for collateral when all business assets are pledged to a commercial bank to secure lines of credit and other term debt?

SBA will file a subordinate lien on business assets behind the lender. They are not filing mortgages on real estate. The loan will not be declined just on the basis of collateral.

How long after submitting the EIDL application will it take to be processed? What and when will SBA contact us and how?

We are estimating 3 weeks, we really don't know for sure. The advances are supposed to be processed within a few days. The loan officer assigned to your loan will contact you by email or telephone.

Who is reviewing these applications? SBA or a banker?

EIDL applications will be reviewed by a loan officer with SBA, not with a bank. The EIDL loan is processed through lenders. It is a direct loan from US Treasury.

You stated that the loan is available until the end of the year. Is there a chance that the funds won't be available at a later date?

There is a high demand for funds, so that could be the case. We do not know if more funds will be added.

If we submitted this form on Tuesday for the advance but are also planning to submit the PPP tomorrow, then is there a way or do we need to go back and edit the EIDL form? You cannot go back and amend the application. You can decline the EIDL loan when offered and the EIDL loan can be rolled into the PPP loan.

What if I had 6 employees on 1/31/20 and when I applied for the EIDL, I put 6 employees but last week I fired an employee....not related to the COVID 19 but because of other reasons and I immediately replace them, can I still get reimbursement for 6 employees? I would think so - you might need to provide an explanation to the loan officer when the loan is offered. Make sure you have documentation as to the situation.

How do I edit an application I've already submitted?

I do not believe you can edit an application after it is submitted.

My annual tax is handled by an accountant. I think I will submit my emergency application myself. Do I need to add the accountant info?

The EIDL loan application is online and you do not have to upload financial documents. They may ask for more information during the review process.

How long do you have to accept or deny the offered EIDL amount?

I don't think we know that, I would imagine that it will be stated in your offer letter/email.

Is this a direct loan or is it funded thru a commercial bank?

EIDL loans are a direct loan from US Treasury. The Payroll Protection program will be funded through commercial banks that are SBA lenders (most are).

Would an independently owned small business that pays franchise fees to a franchise need to check the box as being a franchise? Yes, I would check the box for franchise.

How do you show funds were used for payroll and rent. Do we need a separate payroll account as to not commingle funds we already have in our bank account? We don't think it is required but it is a good idea and I would recommend it.

Is it possible to have a copy of the slides?

Yes, it will be emailed to all registered attendees in the next day or so.

Where will the information be again

We will send out the PPT slides and Q&A in a day or so...

Are the webinars next week the same as today?

More or less, we do try to update for new information. As an example the PPP today was new since our call Tuesday.

Will the webinars next week provide updates to today's webinar?

Yes they will.

Should I include the loans I've taken in my application?

The payments on loans can be included, not refinance of the entire loan.

If a business has to temporarily close, can the EIDL advance be used for bills during the time closed? Would it be forgiven if it's less than \$10,000? That is our understanding.

Can a nursery apply for either program

yes

PPP loan: If the business shows and documents everything correctly is there any reason they would not qualify?

As long as they meet the guidelines (when they come out) there should not be a reason they won't qualify

Twice you have said "ask the bank" -- we do not have those answers as this No, once we receive guidance we will get it out to our lenders. is not a bank developed product. We are just being stuck with doing these "loans"? You need to get us answers to those 2 questions.

are farms eligible for ppp

Yes, they should be

If a furloughed employee has already applied for unemployment and they have received a confirmation of the benefit, then the owner applies for and receives a PPP loan, does the employee need to discontinue her unemployment benefit for the next 8 weeks?

How do you calculate the amount forgiven that is paid to the owner of a sole proprietor? They don't receive a W2 and it varies year to year depending on income for the business.

We don't know yet, we are still waiting on direction

What is required to ask for forgiveness?

We don't know yet, once A16:C38we know we will get the information out to lenders