Bipartisan-Bicameral Omnibus COVID Relief Deal

- PPP/EIDL changes
- Additional Federal Resources
PLEASE SHARE

A recording of this briefing will be available at ndresponse.gov
If you have questions about these federal programs after the briefing, please...

Call 701.239.5131
Email north.dakota@sba.gov
or businesshelpcovid19@nd.gov
PRESENTERS

SHAWN KESSEL
Interim Commissioner
ND Department of Commerce

AL HAUT
District Director
Small Business Association
$900 billion total
$1.4 trillion year-end spending bill
$2.3 trillion total cost of package
$429 billion repurposed unused PPP
FEDERAL COVID RELIEF – INDIVIDUAL ASSISTANCE

- $600 Individual/children
- Supplemental Nutrition Assistance Program (SNAP)
  - 15% benefit increase
  - Pandemic Unemployment Compensation NOT counted
- College student eligibility
- $400m Emergency Food Assistance Program
Congress intended this round of PPP to increase access to COVID relief funding for the hardest-hit small businesses and those in underserved segments, including women, minorities & veterans.

“Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”
WHAT IS A FIRST DRAW PPP LOAN?

- PPP loan eligibility now includes additional types of entities.
- Covered eligible expenses are expanded.
- Borrowers can now select a covered period to use PPP loan proceeds anytime between 8 and 24 weeks after disbursement.
- Certain borrowers may request an increase to their original PPP loan amount.
- Must apply on or before March 31, 2021, or until Congressional appropriations expire.

For eligible applicants that did not receive a PPP loan prior to Aug. 9, 2020
FIRST DRAW PPP LOAN ELIGIBILITY
MUST COMPLY WITH SIZE STANDARDS, ELIGIBILITY CRITERIA & CERTAIN LIMITATIONS

**Newly Eligible**
- Housing cooperatives
- Destination marketing organizations
- Certain 501(c)(6) organizations such as Chambers of Commerce
- Eligible news organizations

**Still Eligible**
- Business entities (e.g., partnerships, corporations, LLCs)
- Sole proprietors, independent contractors, self-employed individuals
- 501(c)(3) non-profit organizations
- 501(c)(19) Veterans organization
- Tribal businesses
WHAT IS A SECOND DRAW PPP LOAN?

FOR BORROWERS THAT PREVIOUSLY RECEIVED A PPP LOAN, HAVE 300 EMPLOYEES OR LESS, AND SUFFERED A 25% REDUCTION IN GROSS RECEIPTS

- For most borrowers, the maximum loan amount of a Second Draw PPP loan is 2.5x average monthly 2019 or 2020 payroll costs, up to $2 million.
- For borrowers in the Accommodation and Food Services sector (NAICS 72), the maximum loan amount for a Second Draw PPP loan is 3.5x average monthly 2019 or 2020 payroll costs, up to $2 million.
- Second Draw PPP loan applicants must submit the information on SBA Form 2483-SD (Borrower Application) when applying to their lender.
SECOND DRAW PPP LOAN ELIGIBILITY
MUST HAVE PREVIOUSLY RECEIVED A FIRST DRAW PPP LOAN

Additional Eligibility Criteria

- Has used or will use the full First Draw PPP loan amount only for eligible expenses before the PPP Second Draw Loan is disbursed
- Has no more than 300 employees
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.
PPP LOAN FORGIVENESS

BORROWERS MUST APPLY FOR FORGIVENESS THROUGH THEIR LENDER; LENDERS SUBMIT BORROWER FORGIVENESS DECISIONS TO THE SBA

Updates per the Economic Aid Act

• EIDL Advances are no longer deducted from forgiveness payment.

• Forgiven PPP loans are not taxable income; expenses paid with PPP loan funds are now tax deductible; consult the IRS for details

• Expanded forgivable expenses are permissible for any PPP loan not already forgiven.

• Coming soon: simplified forgiveness application for PPP loans $150,000 and under.
Live Venue Operators, Movie Theaters, Museums, Zoos, Etc.

Grant administered by SBA’s Office of Disaster Assistance

Covers Most Operating Costs

Application process and forms – coming soon.

Shuttered Venue Operators Grant (sba.gov)
EIDL Applications – deadline extended to 12/31/2021
- Direct loans available from SBA
- https://covid19relief.sba.gov/#/
WHAT TO DO NOW

• Contact your lender
• If you do not have a lender, find one on Lender Match: sba.gov/LenderMatch
• Visit www.sba.gov/ppp for the most up-to-date documents
Contact your local SBA District Office or Resource Partner: sba.gov/nd
Subscribe to SBA e-newsletter: www.sba.gov/updates
Follow SBA on Twitter: @SBAgov
ND RESOURCE PARTNERS

- SBA.gov/local-assistance
FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION PROGRAM

- Extends benefits to Self-employed and gig workers
  - 50 weeks
  - No eligibility later than April 5, 2021
- “Federal bump” $300 per week
  - December 26, 2020 ending before March 14, 2021
  - Up to 24 weeks of unemployment.
EMPLOYEE RETENTION TAX CREDIT (ERTC)

- Expands in 2021
  - Maximum of $14,000 per employee through June 30, 2021.
- Eligibility expanded
  - 500 or less employees – with a decline in gross receipts by more than 20% in any quarter of 2020 compared to the same quarter in 2019.
$11.2 billion total support for Ag

$400 million Milk producer

$60 million Meat and poultry facility upgrade and planning grants
Emergency Rental Assistance
- $25 billion for rental assistance
- 90% - For rental assistance programs
- 10% - For housing stability services.

Eviction Moratorium
- Residential evictions extended through January 31, 2021
ANOTHER PACKAGE

- Helpful articles
  - Federal COVID Relief Bill passed by Congress - December 2020
  - The Treasury Department is Delivering COVID-19 Relief for All Americans
  - Small Business Update: The Latest Stimulus Details and Changes to PPP Loans
- Employee Retention Tax Credit
  - How Coronavirus-Impacted Businesses Can Use the Employee Retention Tax Credit
CONTACT INFO:

Small Business Administration
701.239.5131
north.dakota@sba.gov

Department of Commerce
businesshelpcovid19@nd.gov
CLOSING REMARKS & THANK YOU

- Chris Kalash, GNDC