COVID-19 Best Practices:
Stimulus plan, insurance and access to capital
Hosted by: Bay Area Manufacturers Association

April 3, 2020
Beth Galic, Executive Director, Bay Area Manufacturers Association

Webinar moderator
The FloridaMakes Network


The FloridaMakes network is an industry-led initiative operated by Florida’s regional manufacturers associations in partnership with industry, research, educational and economic development organizations, both public and private, at the state and national levels.

The network provides services focused on three principle value streams: technology adoption, talent development, and business growth.
MEMBER BENEFITS

• WORKFORCE DEVELOPMENT
• BUSINESS NETWORKING
• LEGISLATIVE REPRESENTATION
• COMPANY BRAND EXPOSURE
• GRANT ASSISTANCE
• FLORIDAMAKES SERVICES

www.bama-fl.org
Upcoming webinars:

**COVID-19 Best Practice Series**
- **April 6** - Blockchain, cybersecurity, and managing liquidity
- **April 8** - Manufacturer's Panel Discussion: (extended Tampa region only)

**Talent Development Series**
- **April 7** - Online Training: Strategies to Develop Employees During a Time of Uncertainty
Have you checked your Insurance Coverage?
by Dru Wilson, USI Insurance

Coronavirus Stimulus Plan – What’s In It For Business Owners & Tax Extension Details
by Javi Zuniga & Jay Wadsworth, PDR CPAs & Advisors

Avoiding Predatory/Lending Access to Capital in Uncertain Times
by Steven Hoschak and Diane McKelvey, American Momentum Bank
Upcoming webinars:

**COVID-19 Best Practice Series**
April 6 - Blockchain, cybersecurity, and managing liquidity
April 8 - Manufacturer's Panel Discussion

**Talent Development Series**
April 7 - Online Training: Strategies to Develop Employees During a Time of Uncertainty
Questions
FloridaMakes
407-450-7206
www.floridamakes.com
info@floridamakes.com
COVID-19 | What It Means For Your Business & Employees – Across Property & Casualty, Employee Benefits & Retirement

Client Webcast | March 2020
COVID-19 | Your Property & Casualty Program

Today’s Agenda

- Brief Review of Key Coverages
- Tactics to Manage Your Current Insurance Program
- COVID-19 Claim Preparation Guidelines
  - Studying the Fine Print
  - Business Interruption/Contingent Business Interruption
  - Workers’ Compensation
  - General Liability
  - Directors & Officers (D&O) and Other Professional Lines
- USI Client Resources

How will COVID-19 impact commercial insurance and how can you best mitigate this risk?
COVID-19 Coverage Implications | Business Interruption (BI)

COVID-19 continues to spread throughout the United States, resulting in government and self-imposed quarantines. Many organizations have been forced to shut down or mandate remote working arrangements to contain the virus.

When evaluating BI coverage, companies must determine whether losses are driven by the existence of the virus at an insured location or due to indirect exposures, remembering that coverage will be limited (if any), due to COVID-19 not being a covered peril.

Indirect Loss

- Vast majority of claims will be tied to Business Income losses from indirect exposures
- The most notable indirect exposures that will trigger BI losses are Civil Authority and Supply Chain Disruption

Direct Physical Loss

- Specific policy triggers must be met for BI coverage to apply such as the virus contaminating a HVAC system causing the location to shut down
- Limited exposure as of now, but we are monitoring

REMEMBER: Coverage may vary from policy to policy and in most cases will not apply.

OUR VIEW: Our view – Work with USI to track and document your BI claim for state/national assistance (proposed BI Federal Backstop) – if and when available
COVID-19 Coverage Implications | Workers’ Compensation & OSHA

Workers’ Compensation Claims Presented after a Positive COVID-19 Diagnosis

*Coronavirus (COVID-19) claims could be found compensable if employees can prove:*
- They contracted the virus during the course of their employment and/or
- If their job duties place them at a higher risk of becoming infected.

**Considerations**
- Workers’ Compensation statutes are not intended to cover communicable and contagious diseases
- Every state/jurisdiction has its own Workers’ Comp laws and criteria for defining compensability
- Each state defines and addresses occupational disease and illness differently
- Employees typically have the burden of proving that their injury or illness arose out of & in the course of employment
- It may be difficult to overcome the burden of proving that the Coronavirus was contracted at work vs. in a public setting. Possible exceptions:
  - Healthcare workers and others who have a high exposure due to their employment
  - First responders and others whose employment places them in high risk areas
COVID-19 Coverage Implications | Workers’ Compensation & OSHA

Employer Response and Action

- Establish a process for assessing risk, including an early and thorough investigation of Workers’ Compensation claims
- Establish policies for avoiding/limiting exposures (such as by suspending operations, working remotely, etc.)

OSHA Reporting Requirements Relating to COVID-19

- The Occupational Safety and Health Act (OSHA) has affirmed that employees contracting the Coronavirus are recordable illnesses
- Reporting is subject to the same rules and failure-to-record fines as other workplace injuries and illnesses
- OSHA recordable test: “an event or exposure in the work environment either caused or contributed to the resulting condition or significantly aggravated a preexisting injury or illness”
- In the absence of a clear determination, the employer should make a good faith effort to determine recordability
COVID-19 Coverage Implications | Executive & Professional Risks (EPS)
Including Directors & Officers (D&O) Liability, Employment Practices Liability (EPL) & Cyber/E&O Liability

Areas for companies and leaders to focus on:

1. DISCLOSURES: ALL EPS LINES
   - How company leaders engage and handle the crisis, and how they disclose the current/emerging risks to stakeholders, is critical to underwriters’ evaluation of risks
   - Many key stakeholders exist – investors, creditors/lenders, employees, vendors/business partners, customers, regulators
   - D&Os will likely be scrutinized heavily for their level of engagement, response & disclosure of the risks

2. CYBER SPECIFIC
   - Be aware of any representations made about your insurable risk. If you say that you implement specific controls, understand that the insurer will rely on this representation
   - Be aware that insurers will likely focus on written and documented BCP (business continuity)/DR (disaster recovery) plans
   - Be aware that insurers will likely request more information regarding controls involving Vendor Mgmt/ Reliance, RYOD (relying on your own device for company business) and remote access to company assets

3. EPL SPECIFIC
   - Communication & dissemination of changing information to employees regarding work policies / expectations, protection of employee privacy/ health and safety is key.
   - Compliance with laws and C19 mandates is critical
   - The rapidity of change may not excuse any disregard for RIF protocols especially in “employee-friendly” states. Expect questions from EPL underwriters
COVID-19 Coverage Implications | Executive & Professional Risks (EPS)

Areas for companies and leaders to focus on:

### D&O – RECENTLY INCEPTED COVERAGE
- It is likely too late to change current language within existing policies
- **Understand what a “claim” is (typically it is a defined term) and what your obligations are for reporting and cooperating**
- Have clarity about:
  - Defense Costs – How it works
  - Side A D&O coverage (personal asset protection)

### D&O – IMPENDING RENEWALS | NEXT 6-8 WEEKS
- Carriers are still evaluating the impact and their reaction, but the internal approval process for quotes has slowed
- **Anticipate coronavirus-related questions, including questions about potential bankruptcy and layoffs**
- **Rely on your USI team** and seek alternative options for renewal if any draconian terms (Coronavirus exclusions, i.e.) are proposed

### D&O – RENEWALS | LONGER-TERM (6-8 WEEKS+)
- Insurers may look to codify Coronavirus-based questions
- **Insurers may increase premiums across certain highly-impacted industries, or across most industries, depending on the macroeconomic impact to insurance industry**
- Some insurers may become bearish on certain industries (hospitality, healthcare and retail, i.e.) Q2 financial results may be determinate
- **Start renewal process EARLY!**
COVID-19 Coverage Implications | Environmental Liability

Environmental policies primarily cover Bodily Injury, Property Damage and Cleanup Liability arising out of a Pollution Condition, but MAY include some coverage for viruses, particularly for disinfection.

### Important Policy Considerations

- **Determine if policy provides coverage for bacteria and viruses**
- **Clear understanding of the trigger of coverage** – e.g. discovery of the virus condition, a third-party notice or governmental authority including Health department, or Center for Disease Control
- Ascertain coverage for Business Interruption (BI) and Contingent Business Interruption (CBI)
- Coverage may be limited solely to disinfection, typically with a sublimit of $1 million or less
- **Communicable disease by human-to-human transmission contract exclusions likely to apply to Bodily Injury coverage**
- It is important to understand how the coverage works, particularly for contractors engaged in disinfection/cleanup, or who have a general contractor on a project site
- As Pollution policies come up for renewal, there has been pull-back on coverage for viruses and coverage limited solely to disinfection – we will work with you on this

**REMEMBER:** Each policy is unique and must be examined/reviewed carefully to determine coverage
COVID-19 Coverage Implications | General Liability

General liability policies cover Bodily Injury (BI) arising out of the insured’s negligence. Need to review policy for any exclusion relating to communicable and/or infectious disease.

A claimant would have to allege the virus was contracted because of the insured’s negligence and be able to localize how, when, and where it was contracted. This would be a very difficult standard to meet.

But examples could include:

- Customer at a restaurant contracts the virus that is later linked to an employee of the restaurant
- Hotel guest contracts the virus that is later linked to a general outbreak at the hotel
- Delivery worker contracts the virus that is later linked to a location that received a delivery from the worker
- Vendor’s employee contracts the virus that is later linked to a customer’s location
- Subcontractor’s worker contracts the virus that is later linked to an owner’s construction site

**TAKE ACTION:** If you suspect that an employee has the Coronavirus, contact the Communicable Disease division of your state’s department of health for guidance and direction.
Tactics to Manage Your Current Insurance Program

Work with your USI team to obtain the following and request an extension if unable to engage thoroughly with the marketplace for an upcoming renewal. *This is focused on those whose exposures have gone down significantly.*

**ALL LINES**
- Request a reversal for any non-renewal notices
- Request extension for premium payments
- Create flexibility around premium payments
- Renewals – the more time and analytics (loss trends and drivers – the better
- Obtain agreement for no Notice of Cancellation (NOC) for non-payment
  - Obtain a 30-day grace period for prem payment

**PROPERTY**
- Revisit Total Insured Values for significant reduction especially in the business interruption / extra expense area for mid term premium reduction
- Request extension for any outstanding loss control recommendations
- Review cancellation clause to explore possibility of cancel/rewrite
- CAT limit needs may be decreasing – review modeling

**AUTO PHYSICAL DAMAGE (PD)**
- Remove PD coverage for parked vehicles/units

**CASUALTY LINES**
- Revisit min premiums by requesting mid term audit and adjust premiums accordingly
- For all auditable polices – explore premium reductions due to significant drop-in basis for premium (sales; payroll; square footage; etc).

*NOTE: We will continue to monitor individual insurance department directives on the topics of NOC and premium payment flexibility.*
COVID-19 Claims | *Studying the Fine Print*

As we navigate the claims process caused by the unique nature and types of losses associated with COVID-19, we anticipate conventional coverage and carrier positions to be tested across the industry, regulatory and legal systems. Here are a few items to address:

- **Properly framing your loss to maximize recovery**
  - Business Interruption/Contingent Business Interruption
  - Workers’ Compensation
  - General Liability
  - Directors & Officers

- **Evaluate the applicability of insurance**
  - Do not delay or refrain the reporting of a claim
  - Identify the underlying loss to your business and how coverage may trigger
  - A patchwork of other policies may come into play; marine, environmental, employment practices
COVID-19 Claims | Business Interruption/Contingency Business Interruption

When calculating a business interruption claim, it is important to consider as many factors as possible to maximize recovery and reduce area of dispute.

**Background of the loss**
- Build a timeline and summary of the key events
- Dates leading up to and following the loss
- Track the impact
- Set up an internal cost code
- Status of open orders
- Historical sales data
- Retain all production schedules
- Evaluate the potential for production make-up
- Track impact on variable and fixed costs

**Typical documentation to substantiate a BI loss**
- Historical sales vs actual during the loss period
- Sales journals and forecasts
- Industry trends
- Production schedules
- Extra expense to reduce the loss
- Profit and loss statements
- Purchase and payroll journals
- General ledger and tax returns
- Major contracts
- Leases and other contracts
COVID-19 Claims | Workers’ Compensation

There is no longer a question whether COVID-19 will affect employees and employers; it will and in ways not seen before in our industry. With workers’ compensation, each jurisdiction will approach it differently.

- Healthcare workers and first responders vs. an employee casually encountering the virus

**Action to take**

- Immediate First Report of Injury form sent to the claim administrator (Carrier or TPA)
- OSHA requirement – log COVID-19 incidents as recordable illnesses
- Investigate the incident to determine compensability
- USI to assist with reviewing legislative changes that may impact compensability
- If the claim is compensable, USI will assist with examining benefits allowed and claim resolution

**Information required when reporting a claim**

- Clearly identify the claim as COVID-19
- Share any information that would classify the employee being at a higher risk for exposure
- Established company policies relating to actual and suspected COVID-19 incidents
- Documentation regarding any required quarantine of the employee
- Statements – witness, supervisor

There is no longer a question whether COVID-19 will affect employees and employers; it will and in ways not seen before in our industry. With workers’ compensation, each jurisdiction will approach it differently.

Healthcare workers and first responders vs. an employee casually encountering the virus

Action to take

- Immediate First Report of Injury form sent to the claim administrator (Carrier or TPA)
- OSHA requirement – log COVID-19 incidents as recordable illnesses
- Investigate the incident to determine compensability
- USI to assist with reviewing legislative changes that may impact compensability
- If the claim is compensable, USI will assist with examining benefits allowed and claim resolution

Information required when reporting a claim

- Clearly identify the claim as COVID-19
- Share any information that would classify the employee being at a higher risk for exposure
- Established company policies relating to actual and suspected COVID-19 incidents
- Documentation regarding any required quarantine of the employee
- Statements – witness, supervisor
COVID-19 Claims | General Liability

General Liability policies are cover claims involving bodily injury. The most likely scenario is alleged negligence from the company’s failure to properly protect an invitee or customer while on your property.

**Action to take**

- Implement an Infection Control Policy
- Once aware of an incident, isolate the area and/or close access to that part of the facility
- Document the presence of the virus
- Take adequate measures to prevent the spread of the virus by using a certified cleaning crew
- Train employees on how to avoid spread of the virus

**Protecting your organization**

- Use hold-harmless and indemnity agreements
- Pre-entry health questionnaire or screenings (temperature)
- Social distancing may include modified work areas, modified work teams, or modified work shifts
- Delivery scheduling and/or trailer drops
- Designated delivery areas
- Escorted on-site vendors (repairmen)
CLAIMS MADE & REPORTED

- D&O, EPL and related EPS coverages are generally “claims made and reported policies,” as opposed to “occurrence” coverages, meaning that the claims may be made immediately after the event or even in future policy periods
  - Clients are obligated to report claims as soon as practicable after a claim is first made, no later than the end of the current policy period
  - Policies likely also have an OPTION to report “notice of circumstances” that are not yet claims, but should consult USI before making that determination

- We are monitoring the stance of all underwriters who will in many cases ask questions about:
  a) specific Coronavirus-related exposures
  b) disclosures to investors
  c) dealings with employees and customers
  d) Cyber preparedness

- Some underwriters MAY introduce the possibility of exclusionary language (AT RENEWAL) for the unknown exposure. Nothing can be done mid-term, of course. In those cases, it is critical that you talk to your USI team about a strategy to preserve coverage, if needed.
  - We have not seen that yet and this is not a prognostication, just something that we want to be ahead of the curve on for any upcoming renewals
USI Client Resources | We are Here to Help You

For access to the latest resources and guidance from USI, please visit our COVID-19 Preparedness and Response web resource page. http://www.usi.com/public-health-emergencies

PROPERTY & CASUALTY
- FAQ on coverages
- COVID 19 Preparedness and Risk Mitigation Guide
- Pandemic Claim Reporting Guide
- Coronavirus Workers Comp and OSHA Advisory
- BI claim preparation/documentation Guide
- D&O FAQ addendum
Avoiding Predatory
Diane McKelvey, American Momentum Bank
COVID-19
Coronavirus Aid, Relief, and Economic Security Act – CARES Act
Paycheck Protection Loans/SBA Loan
March 2020
Contact Information

Jay Wadsworth, CPA
Shareholder
jwadsworth@pdr-cpa.com

M. Javier Zuniga
Shareholder
jzuniga@pdr-cpa.com
The Small Business Administration is offering 2 types of coronavirus relief loans, and it’s causing some confusion.

**A) Paycheck Protection Program - PPP**

1) **What is the PPP?**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocates $349 billion for small business loans. Loans are available to small businesses impacted by COVID-19.

Loans can be up to 2.5x the borrower’s average monthly payroll costs incurred during the year prior to the loan origination date. The maximum loan amount is $10 million.

The PPP loan can be used for:

- Payroll, Healthcare premiums, Insurance premiums, Mortgage or rent, Utilities, Other debt

These loans may be forgiven if the borrower maintains their payroll during the crisis or restores wages.

The SBA will administer the loans. Local lenders will determine eligibility and credit worthiness without requiring them to go through usual SBA channels to make the process faster.
2) I Don’t Have Employees. Can I Still Qualify?

You may.

The CARES Act states: “...individuals who operate under a sole proprietorship or as an independent contractor and eligible self-employed individuals shall be eligible. Applicants who fall in this category will need to provide documentation such as “payroll tax filings reported to the Internal Revenue Service, Forms 1099–MISC, and income and expenses from the sole proprietorship, as determined by the (SBA) Administrator and the (Treasury) Secretary.”
3) How Much Money Can I Borrow?

The basic answer is that the maximum loan amount is 2.5 times the average monthly payroll for the 12 months preceding the date the loan is made, up to a maximum of $10 million.

However, if you are a seasonal business, you can apply to borrow 2.5 times your payroll from the 12-week period beginning February 15, 2019, (or you can choose March 1, 2019 as the starting date), and ending June 30, 2019.

What if you are a newer business? If you were not in business for the time period beginning on February 15, 2019 and ending on June 30, 2019, then you can use your average total monthly payroll costs incurred from January 1, 2020 to February 29, 2020 and multiply that by 2.5.

Payroll does not include salaries above $100,000 or qualified sick leave pay under the Families First Coronavirus Response Act.
4) Where Can I Get One of These Loans?
Individual lenders, including many banks, credit unions and some online lenders will make these loans.

How Can I Apply?

Banks and other lenders are preparing to accept applications for these loans. But further guidance is needed from the SBA before they can begin to take applications.
5) What businesses are eligible?

Small businesses that have been in operation on February 15, 2020 with 500 or less employees.

Individuals who are a sole proprietorship or an independent contractor
6) How much of my loan will be forgiven?
You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.
Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
You will also owe money if you do not maintain your staff and payroll.
   - Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
   - Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than $100,000 annualized in 2019.
   - Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.
7) How large can my loan be?
Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount.

That amount is subject to a $10 million cap.

If you are a seasonal or new business, you will use different applicable time periods for your calculation.

Payroll costs will be capped at $100,000 annualized for each employee.
8) Is There a Personal Guarantee?

No. There is no personal guarantee required. In addition, these will be non-recourse loans as long as proceeds are used for covered purposes. (Non-recourse means the government won’t be able to collect if you default.)

9) Is Collateral Required?

No. Normally SBA loans for more than $25,000 require collateral. That requirement is waived for these loans.
10) How Soon Do I Have to Start Making Payments?
Lenders must provide deferred payments for a period of no less than six months, including the payment of principal, interest, and fees. The maximum deferment period is one year. In other words, you don’t have to make payments for at least six months and up to one year.

11) When is my loan due? In 2 years.

12) Can I pay my loan earlier than 2 years? Yes. There are no prepayment penalties or fees.

13) Do I need to pledge any collateral for these loans? No. No collateral is required.

14) Do I need to personally guarantee this loan? No. There is no personal guarantee requirement.

***However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.***
15) What do I need to certify? As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.

The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.

You have not and will not receive another loan under this program.

You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.

Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.

You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program requirements and all SBA reviews.
In addition:

Forgiven debt will not be taxable.
The mortgage, rent and utilities covered in this section must be in place before February 15, 2020.

More guidance on this important section of the law will come from the SBA Administrator and/or the Treasury Department.

Please note: there are specific and technical calculations included in this section of the law, and you should not rely on this description to determine whether to keep employees, reduce employee wages or to determine your eligibility for loan forgiveness.
What Can I Do Right Now?

While you wait for these loans to become available there are several things you can do right now:

Gather payroll documentation. While we don’t have exact document requirements yet, you’ll need documents such as payroll tax filings verifying the number of full-time employees on payroll and how much they were paid during the applicable time period.

If necessary, contact your accountant, bookkeeper or payroll processing firm to make sure you have the documents you need.

Get clear on your finances. If you have let your bookkeeping fall behind, catch up. You need a clear picture of your income and expenses to make decisions about how your business will weather the crisis. If you hope to apply for loan forgiveness you’ll also need documentation of the expenses you will pay during the eight weeks after you get the loan, including mortgage interest and/or rent and utilities.
Economic Injury Disaster Loan (EIDL)

The SBA is also offering loans under its Economic Injury Disaster Loan Program to qualified businesses impacted by COVID-19. The disaster loan application can be accessed on the SBA website.

The loan application asks for your gross revenue for the 12 months prior to the dates of the disaster (which is January 31, 2020) and the cost of goods sold for the 12 months prior to January 31, 2020.

You can also request up to $10,000 in advance.

At this time, there’s no loan forgiveness for an EIDL loan.
16) What are the general parameters of the EIDL program?

The general parameters are as follows:

Up to $2 million available per borrower (dependent on ability to repay and creditworthiness)

CARES Act waives the requirement that the company must not be able to get credit elsewhere

Some company owners may need to guarantee EIDLS, but the CARES Act exempts loans of less than $200,000 from this requirement

Generally must be secured by some kind of collateral

Interest rate of 3.75 percent for for-profit businesses

Up to 30 years to repay (determined on a case by case basis)

Must be used for fixed debts, payroll, accounts payable, and other bills that can't be paid because of the disaster's impact

The CARES Act also authorized $10 billion in emergency grants to applicants for EIDLS, with a maximum of $10,000 per emergency grant. The grants are required to be dispersed within three days of the applicant filing an application and are not required to be repaid even if the applicant is subsequently denied an EIDL.
17) What is the borrower eligibility for EIDL?

Any small business or private nonprofit organization that meets SBA’s Size Standard (predicated or NAICS code and annual revenue) that has suffered Substantial Economic Injury due to COVID-19.

A business has suffered “substantial economic injury” when it is unable to meet its financial obligations, pay ordinary and necessary operating expenses or has a reduction in working capital.

Businesses are ineligible that have not complied with a previous SBA loan.

18) What are the Affiliation Rules?

When determining eligibility, the SBA aggregates and reviews the applicant and all of its “affiliates” as one entity.

In determining affiliation, SBA will consider whether ownership, ownership options and changes of legal structure, management, identity of interest and licensing agreements.
19) What is the amount of loan and permitted use?

Up to $2,000,000 Proceeds may be used to pay fixed debts, payroll, accounts payable, rent, utilities and other bills that cannot be paid because of the disaster’s impact.

20) What is the term? Up to 30 years.

21) Debt forgiveness? Not applicable.

22) Collateral? Yes, for loans over $25,000

23) Guarantee? Yes, for loans over $200,000
24) What is the application process?

Applicants exclusively deal with the SBA. Applications are submitted electronically or by mail.

Required to provide:

- Business tax returns for three prior years
- Personal tax returns for each principal owning 20% or more of the applicant
- 2019 Federal Tax Returns (or an explanation if not available)
- Personal Financial Statements (SBA Form 413) for each applicant and principal owning 20% or more of the applicant
Personal Financial Statements (SBA Form 413)
for each applicant and principal owning 20% or more of the applicant

Applicant’s debt Schedule (SBA Form 2202)

Confirm whether have business interruption
Insurance

The SBA determines final loan terms on a case-by-case basis after evaluating each applicant’s needs. Ultimately, loan terms are predicated on the economic injury sustained and an applicant’s ability to payback its obligations.

Please note: there are specific and technical calculations included in this section of the law, and you should not rely on this description to determine whether to apply for EIDL loans.
Contact Information

Jay Wadsworth, CPA
Shareholder
jwadsworth@pdr-cpa.com

M. Javier Zuniga
Shareholder
jzuniga@pdr-cpa.com
Thank you for your time, and please feel free to reach out to us if you have any additional questions!

Oldsmar | Tampa
4023 Tampa Road, Suite 2000
Oldsmar, FL 34677
P 727.785.4447

St. Petersburg
360 Central Avenue, 8th Floor
St. Petersburg, FL 33701
P 813.498.5491
Lending Access to Capital in Uncertain Times

Steven Hoschak  American Momentum Bank
Questions
FloridaMakes
407-450-7206
www.floridamakes.com
info@floridamakes.com
Upcoming webinars:

COVID-19 Best Practice Series
April 6 - Blockchain, cybersecurity, and managing liquidity
April 8 - Manufacturer's Panel Discussion: (extended Tampa region only)

Talent Development Series
April 7 - Online Training: Strategies to Develop Employees During a Time of Uncertainty