



**Rep. Rick Larsen**  
**COVID-19 Resource Guide:**  
**Small Businesses**

Last Updated: April 29, 2020





**~ A NOTE FROM REPRESENTATIVE RICK LARSEN ~**

Northwest Washington, the nation and the entire planet are dealing with a unique public health crisis. The deadly impact of COVID-19 and the necessary public health measures to prevent its further spread are having serious consequences in our communities: health care systems are strained, schools and businesses are closed and thousands of hardworking women and men have lost their jobs.

Congress is acting to protect Americans from COVID-19 and reduce the economic harm caused by the pandemic. The *Families First Coronavirus Act* expands paid emergency medical leave, extends unemployment insurance and provides help for health care workers who are working around the clock to keep Washingtonians safe. It also ensures children and seniors who rely on nutrition programs do not go hungry when schools and senior centers close. The law also guarantees that if someone needs a COVID-19 test, they do not pay for it, regardless of insurance coverage.

Congress also passed the *CARES Act*, which expands unemployment benefits for laid-off and furloughed workers, including self-employed and gig economy workers. The law also directs cash payments to lower and middle-income Washingtonians, provides robust small business relief including forgivable loans for certain businesses. Additionally, the legislation increases resources for hospitals, health care workers and researchers combatting COVID-19.

The *Paycheck Protection Program and Health Care Enhancement* provided additional relief for small businesses by increasing funding for the Economic Injury Disaster Loan (EIDL) program and the Paycheck Protection Program. It also included further funding for hospitals and a nationwide testing program.

These bills and supplemental funding are necessary first steps to protect Washingtonians' health, safety and economic security. The federal government has a continued role to play in responding to this crisis and I will work to ensure these



programs help Washingtonians deal with the health and economic consequences of COVID-19.

As this situation develops, my team and I are ready to help you. Although my offices are physically closed, you can still contact my Washington state staff at 425-252-3188 and my Washington, DC staff at 202-225-2605.

Throughout this time, I will continue to meet with constituents in small groups or via teleconference.

Sincerely,



Rick Larsen  
Member of Congress  
Washington State, 2nd District



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~ **HELPFUL LINKS** ~

**For help filing for unemployment benefits, start with the Washington State Employment Security Division (ESD).** ESD resources about unemployment, paid family and medical leave, jobs and job training, answers to FAQs and other information are available at:

<https://esd.wa.gov/newsroom/covid-19>

**For small business assistance, start with Small Business Administration (SBA) Coronavirus Small Business Guidance & Loan Resources:**

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

**For further small business assistance, Washington Small Business Development Centers (SBDC) help small business owners grow, protect their businesses and access state and federal programs. These resources are available at:**

<https://wsbdc.org/>

**For an immediate, life-threatening emergency, call 911**

**For non-emergency assistance, call 211**

**Washington State Department of Health (DOH):** DOH resources about COVID-19, including fact sheets, links to local health districts, FAQs, testing information and data about the virus in Washington state are available at: <https://www.doh.wa.gov/emergencies/coronavirus>

**Washington State Emergency Management Division**

Call: (800) 562-6108, or (253) 512-7000

Online at:

<https://mil.wa.gov/emd-contact-us>



**Washington State Department of Financial Institutions (DFI):**

WA DFI established a web page with resources for Washingtonians suffering from the impacts of COVID-19, including assistance for renters, homeowners and people having trouble paying credit cards, rent, mortgages and utilities:

<https://dfi.wa.gov/coronavirus/financial-resources>

**Washington State Department of Revenue (DOR):** DOR established a web page with information about relief for businesses impacted by COVID-19:

<https://dor.wa.gov/about/business-relief-during-covid-19-pandemic>

**FEMA Region X**

Call: 425-487-4600

Online at <https://www.fema.gov/region-x-ak-id-or-wa>

**American Red Cross:**

Disaster and Emergency Assistance: <https://www.redcross.org/get-help.html>

For assistance, please contact my offices or visit my website at

<https://larsen.house.gov/contact/>

My staff are working remotely during the public health emergency and can be reached via telephone:

*Everett Office:* 425-252-3188

*Washington, DC Office:* 202-225-2605





~ **FEDERAL RESPONSE** ~

In response to COVID-19, Congress passed the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*, the *Families First Coronavirus Response Act (FFCRA)* and the *Paycheck Protection Program and Health Care Enhancement Act*. These bipartisan bills provide aid to medical professionals battling the outbreak, support state and local governments and provide financial assistance for individuals and business owners.

Key programs for business owners are listed below. For more detailed information, visit:

[https://smallbusiness.house.gov/uploadedfiles/small\\_biz\\_cares\\_guide\\_update.pdf](https://smallbusiness.house.gov/uploadedfiles/small_biz_cares_guide_update.pdf)

Paycheck Protection Program (PPP):

The *CARES Act* includes \$349 billion to provide cash-flow assistance via loans to businesses that maintain payroll during the COVID-19 pandemic. The Paycheck Protection Program and Health Care Enhancement Act included an additional \$310 billion for the program. These loans can be forgiven for up to eight weeks of payroll if a business owner retains their employees. Generally, small businesses with fewer than 500 employees are eligible, as well as 501(c)(3) nonprofits, 501(c)(19) veterans' organizations and tribal businesses. Loans will be available until funds are exhausted, or June 30, 2020 at the latest. The loans cover harms that took place between February 15, 2020 and June 30, 2020. The maximum loan amount per business is \$10 million.



Economic Injury Disaster Loans (EIDL):

As of April 29, SBA is currently not accepting applications for the EIDL program because of unprecedented demand. Please check this link to see if SBA has resumed accepting applications: <https://www.sba.gov/funding-programs/disaster-assistance/coronavirus-covid-19#/>

A disaster declaration for all 50 states makes available low-interest loans of up to \$2 million for businesses and private nonprofits suffering harm from the COVID-19 outbreak. The Paycheck Protection Program and Health Care Enhancement Act including \$60 billion in additional funds for this program. Eligible businesses are sole proprietorships (with or without employees), independent contractors, cooperatives and employee-owned businesses and tribal small businesses. Small business concerns and small agricultural cooperatives that meet SBA size standards and most private nonprofits (regardless of size) are also eligible. Eligible expenses are those that would have been paid had the COVID-19 disaster not occurred.

Emergency Economic Injury Grants:

As of April 29, SBA is currently not accepting applications for the Emergency Economic Injury Grants program because of unprecedented demand. Please check this link to see if SBA has resumed accepting applications: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

The CARES Act makes available \$10 billion to businesses and private nonprofits that apply for an EIDL. These grants can be for up to \$10,000 and must be requested at the time of application for an EIDL. Emergency Economic Injury Grants do not have to be paid back. A business needs to have been in operation since at least January 31, 2020. These grants are backdated to January 31, 2020, so if you have already applied for an EIDL, you can still receive a grant.





### Employee Retention Credit:

The Employee Retention Credit is a refundable payroll tax credit for 50 percent of wages paid to certain employees during the COVID-19 disaster. The credit is available to small businesses and nonprofits that have had to limit operations as a result of government limiting commerce, travel or group meetings. Businesses with fewer than 100 employees that have had to reduce employee hours or furlough employees are eligible for the credit. The grant is also available to businesses that experience a greater than 50 percent reduction in quarterly receipts (measured year-over-year). This credit is not available to businesses that receive assistance through the Paycheck Protection Program.

### Deferral of Employer Payroll Taxes:

Deferral of Employer Payroll Taxes enables businesses to defer payment of the employer portion of certain payroll taxes through 2020. The deferral allows payment of 2020 payroll taxes in two installments – one in 2021 and one in 2020. This credit is not available to businesses that receive assistance through the Paycheck Protection Program.

## *Frequently Asked Questions*

### Paycheck Protection Program (PPP)

For more detailed information about the PPP, please see fact sheets from the Department of the Treasury and the Small Business Administration here:

<https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

Q: What types of businesses and organizations are eligible for PPP?

A: Generally, businesses with fewer than 500 employees are eligible. This includes nonprofits, veterans' organizations, Tribal businesses, sole proprietorships, self-employed individuals and independent contractors. Businesses with more than



500 employees in certain industries may be eligible, based on SBA size standards for those industries. A business must have been in operation by February 15, 2020.

Read more: <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>

Q: How do I apply for a PPP loan?

A: A variety of lenders are handling PPP loans, not the Small Business Administration itself. You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union or Farm Credit System institution participating in the program. Consult your current lender to find out if they are participating.

You can find local financial institutions making PPP loans available using the SBA's Find Eligible Lenders tool at: <https://www.sba.gov/paycheckprotection/find>

You can view the PPP application form here:

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Q: When can I apply?

A: Applications opened on April 3, 2020, for small businesses and sole proprietorships to apply through existing SBA lenders. On April 10, 2020, independent contractors and self-employed individuals were able to apply through existing SBA lenders. The program will be open until funding is exhausted, unless Congress adds more money to the program. Do not wait to talk to your bank.

Q: What are the terms of a PPP loan?

A: The term of a PPP loan is two years, although there are no penalties for early repayment. The interest rate for all borrowers is 1 percent. All payments are deferred for six months, but interest will accrue during that time. No collateral is required and there is no personal guarantee requirement.



Q: Under what circumstances will a PPP loan be forgiven?

A: Loans will be forgiven if loan funds are used to cover eligible costs – payroll costs and most mortgage interest, rent, and utility costs – over the eight-week period after the loan is made. Only 25 percent of the forgiven amount can be used for non-payroll costs. Additionally, employee and compensation levels must remain the same. Payroll costs may not exceed \$100,000 per employee per year. You must submit a request for loan forgiveness to your loan servicer; loans are not automatically forgiven.

Payroll costs include:

- Compensation (salary, wage, commission, cash tips)
- Payment for vacation, parental, family medical or sick leave
- Allowance for dismissal or separation
- Payment required for the provisions of group health care benefits, including insurance premiums
- Payment of any retirement benefit
- Payment of state or local tax assessed on the compensation of employees

Read more: <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>

**Economic Injury Disaster Loan (EIDL) Program**

**As of April 29, SBA is currently not accepting applications for the EIDL program because of unprecedented demand. Please check this link to see if SBA has resumed accepting applications: <https://www.sba.gov/funding-programs/disaster-assistance/coronavirus-covid-19#/>**

Q: I need assistance immediately to keep my business afloat. What should I do?

A: EIDL applications are being evaluated on a rolling basis. Emergency Economic Injury Grants are available to businesses and private nonprofits that apply for an EIDL. These grants can be for up to \$10,000 and do not have to be repaid. The business needs to have been in operation since at least January 31, 2020. These grants are backdated to January 31, 2020, so if you have already applied for an



EIDL, you can still apply for a grant. Eligibility for these grants extends to December 31, 2020. Congress intended for these grants to be issued within three days of submission of an EIDL application. However, due to unprecedented demand on these programs, the wait time may be significantly longer.

Read more:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

[https://smallbusiness.house.gov/uploadedfiles/cares\\_flow\\_chart\\_edit.pdf](https://smallbusiness.house.gov/uploadedfiles/cares_flow_chart_edit.pdf)

Q: What types of businesses and organizations are eligible for EIDLs?

A: The following businesses with 500 or fewer employees are eligible, as long as they have been in operation since January 31, 2020:

- Small business concerns (including sole proprietorships, with or without employees)
- Independent contractors
- Cooperatives and employee owned businesses
- Private non-profits
- Tribal small businesses

Read more:

[https://smallbusiness.house.gov/uploadedfiles/small\\_biz\\_cares\\_guide\\_update.pdf](https://smallbusiness.house.gov/uploadedfiles/small_biz_cares_guide_update.pdf)

Q: How do I apply for an EIDL?

A: When SBA is accepting applications, eligible entities can apply at <https://covid19relief.sba.gov/#/> or can contact their local SBA office for other options. The SBA estimates that the application takes about two hours and ten minutes to complete.



Q: When can I apply for an EIDL?

A: Applications for EIDLs related to the COVID-19 disaster are currently closed due to extremely high need for these loan funds. You should not wait to apply if applications are re-opened.

Check <https://www.sba.gov/funding-programs/disaster-assistance/coronavirus-covid-19#/> for information from SBA on whether applications are open. The loans are backdated to January 31, 2020.

Read more:

[https://smallbusiness.house.gov/uploadedfiles/small\\_biz\\_cares\\_guide\\_update.pdf](https://smallbusiness.house.gov/uploadedfiles/small_biz_cares_guide_update.pdf)

Q: What are the terms of an EIDL?

A: Loans may be offered up to \$2 million. Eligible expenses include items like debt, payroll, accounts payable and other expenses that would have been paid were it not for the COVID-19 disaster. For small businesses, the interest rate is 3.75 percent. For nonprofits, the interest rate is 2.75 percent. Repayment terms are determined on a case-by-case basis, but can be offered for a period of up to 30 years to ensure affordable payments.

EIDLs do not have a forgivable component like the PPP does, except if a recipient requests and receives an Emergency Economic Injury Grant following application for an EIDL. This grant does not need to be paid back.

Read more: <https://smallbusiness.house.gov/about/coronavirus.htm>

Q: How do I know if the PPP or EIDL is right for my business?

A: Talk to your loan servicer, business advisor or accountant. However, you may find this fact sheet comparing PPP and EIDL helpful:

[https://smallbusiness.house.gov/uploadedfiles/cares\\_flow\\_chart\\_edit.pdf](https://smallbusiness.house.gov/uploadedfiles/cares_flow_chart_edit.pdf)



## **Counseling and Training**

Q: As a business owner, it would be helpful for me to talk with an advisor about how to navigate the COVID-19 outbreak. What resources are available?

A: Small Business Development Centers, Women's Business Centers, Minority Development Agency Business Centers and SCORE mentorship programs are receiving additional funds through the *CARES Act* to provide additional services to help businesses affected by COVID-19. Business counseling and other services through these agencies is free.

Connect with an SBDC Adviser in the Second Congressional District:

SBDC Everett/Snohomish County: <https://wsbdc.org/everett/>

SBDC Mount Vernon: <https://wsbdc.org/mt-vernon/>

SBDC Bellingham: <https://wsbdc.org/bellingham1/>

Connect with SCORE Greater Seattle: <https://seattle.score.org/>

Connect with Washington Women's Business Center:

<https://businessimpactnw.org/washington-womens-business-center/>

Connect with Tacoma Minority Development Agency Business Center:

<https://www.mbda.gov/businesscenters/tacoma>

## **General**

Q: I am having a hard time reaching someone at SBA. What should I do?

A: SBA offices are handling an unprecedented level of calls and emails right now. The *CARES Act* provides an additional \$675 million for SBA to hire enough employees to meet increased demand for SBA services. Continue to reach out to your local SBA office for guidance on these programs.

Contact SBA: <https://www.sba.gov/about-sba/organization/contact-sba>

Seattle Regional Office: <https://www.sba.gov/offices/district/wa/seattle>

