







Bill Stoeri





Agenda

- Overview of Federal Legislative Response to Coronavirus
- CARES Act Highlights
- Financial Relief for Mid-Size and Large Businesses
- Financial Relief for Small Businesses
- Employment
- Tax

THE STIMULUS ACT: WHAT IS IT AND HOW WILL IT HELP YOU?



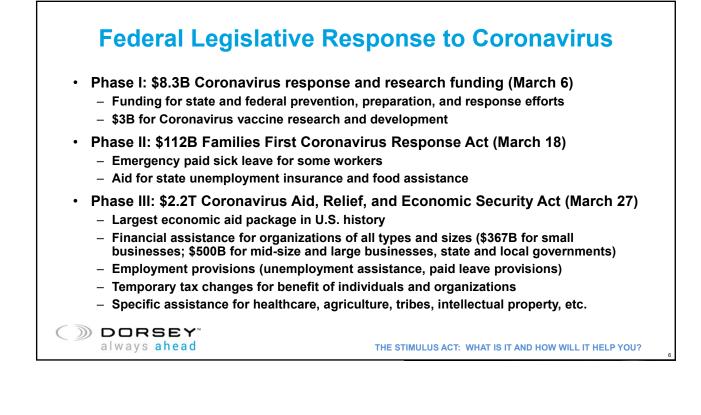
Federal Legislative Response and CARES Act Highlights

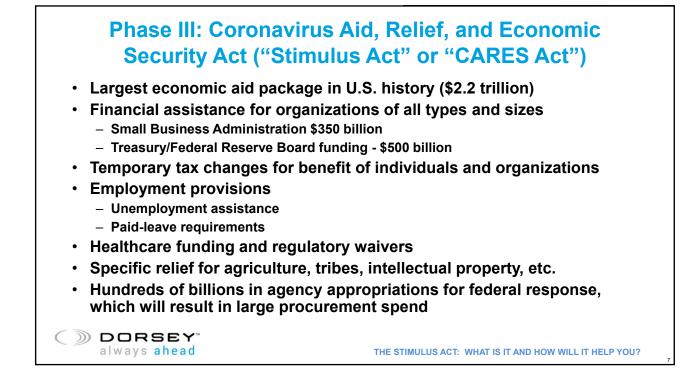
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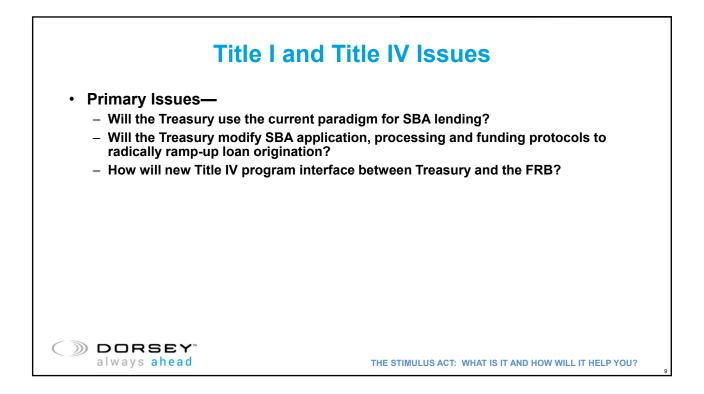


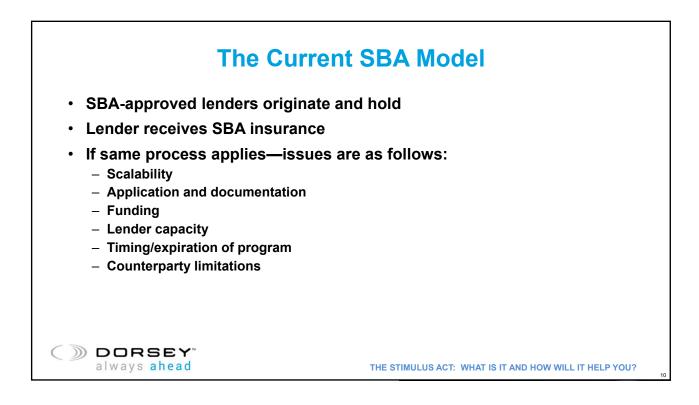
Beth Forsythe

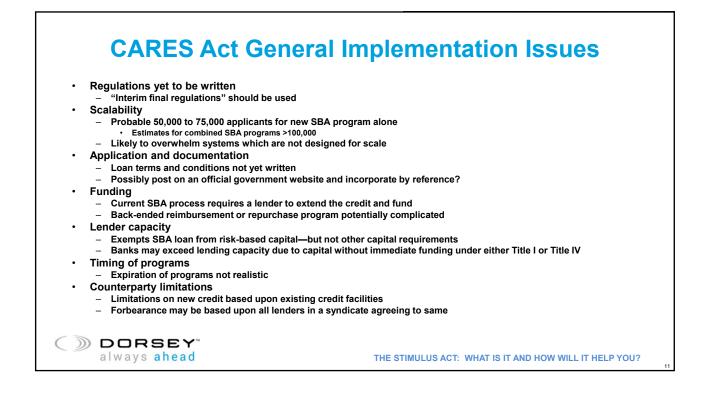


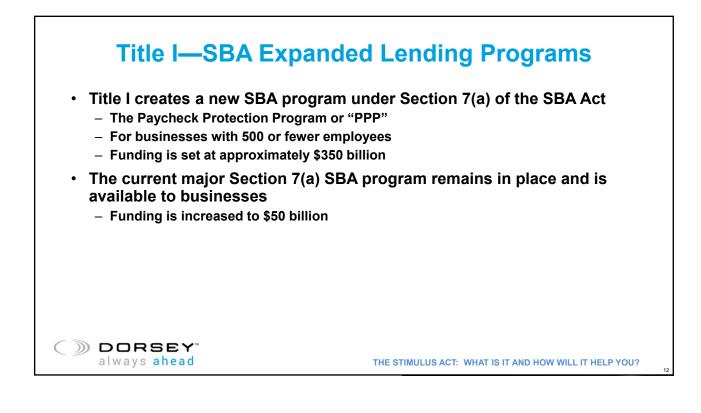


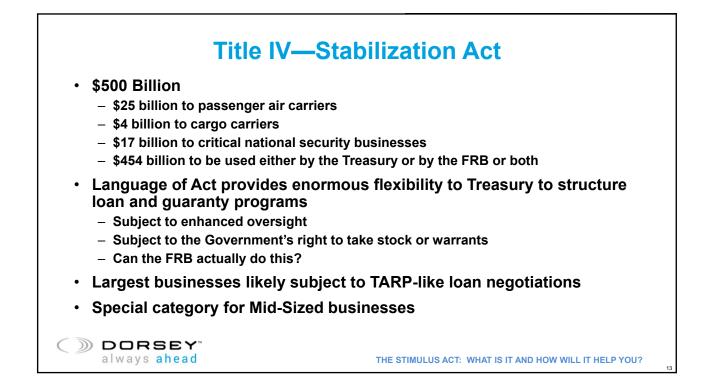












Mid-Sized Business Program

Available for companies with 500 – 10,000 employees. *Financed by Fed, but loans issued by banks*

An annualized interest rate not higher than 2% with no required payments on the principal or interest in the first 6 months (or longer, if Treasury agrees).

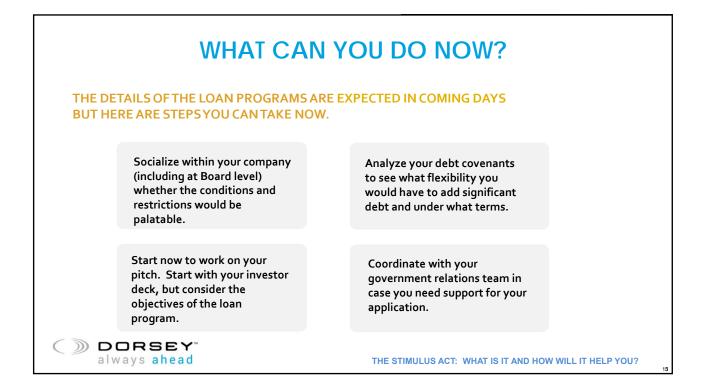
Restrictive Certifications: e.g., will not outsource/offshore jobs for term of loan plus 2 years. Also, cannot abrogate collective bargaining agreements during this period. Must remain neutral in union organization efforts during term of loan.



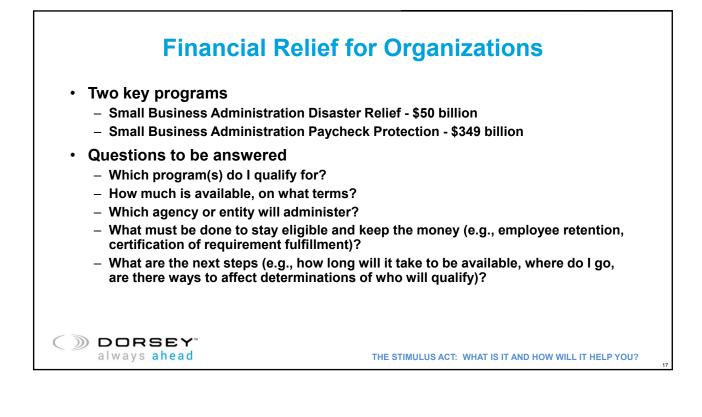
Good Faith Certifications

- The loan is necessary to support ongoing operations due to economic uncertainty.
- Will retain at least 90% of the recipient's workforce, at full compensation and benefits, until September 30.
- Intends to restore at least 90% of the workforce that existed as of February 1,2020, with full comp and benefits within 4 months after end of public health emergency.
- · The business is not in bankruptcy.
- For the duration of the loan, the business will not pay dividends or purchase any of the business's (or parent company's) equity securities.
- U.S. domiciled business with significant operations here.

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Overview of Disaster Relief and Pa	ycheck
Protection Programs	

SBA Disaster Relief Program	SBA Paycheck Protection Program
Up to \$2 million (needs based)	 Lesser of \$10mm and 2.5x payments made for payroll costs during 1 year period before loan is made, plus refinancing of outstanding amount of any EDIL made to borrower between 1/31/2020 and date that paycheck protection loan is made available Payroll costs = average total monthly wages/benefits, etc., but excluding tax credits re family/sick leave and salaries >\$100k) Max loan amount for seasonal employers (as determined by SBA) based payroll costs incurred for 12 week period beginning 2/15/2019 (or at the election of eligible borrower, 3/1/2019), and ending 6/30/2019. Payroll costs for an otherwise eligible borrower that was not in business between 2/15/19 and 6/30/19 based on average total monthly payroll costs made during period beginning 1/1/2020 and ending on 2/29/20
≤ 3.75% per annum (2.75% re nonprofit)	≤ 4% per annum
Up to 30 years	For amounts that are not forgiven, maximum maturity of 10 years from date borrower applies for loan forgiveness
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Overview of Disaster Relief and Paycheck Protection Programs		
SBA Disaster Relief Program	SBA Paycheck Protection Program	
"Small Business Concerns"	 "Small business concerns" that are eligible to participate in other SBA 7(a) loan programs Any business concern, nonprofit organization, veteran's organization, or Tribal business (eligibility subject to size limitations and SBA affiliation rules (summarized below)) Any business concern with more than 1 location, that employees not more than 500 employees per physical location, and that is assigned NAICS code starting with "72" (hospitality and food services) Individuals who operate under a sole proprietorship, independent contractors, and eligible self-employed individuals 	
Period: Until disaster period ends	Period: February 15 - June 30, 2020 (borrower must be in existence on February 15, 2020)	
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Overview of Disaster Relief and Paycheck Protection Programs

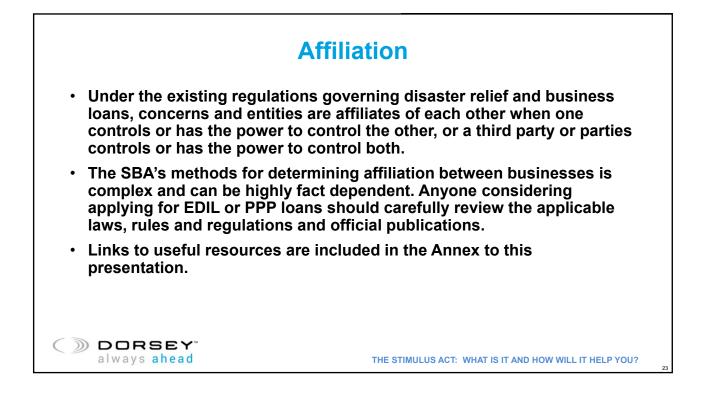
SBA Disaster Relief Program	SBA Paycheck Protection Program
Paying fixed debts, payroll, accounts payable and <u>other bills</u> that can't otherwise be paid due to the economic impact	Paying payroll/employee benefits of U.S. based employees; operating costs (i.e., rent; mortgage payments; utilities; payments re previously incurred debt)
Standard SBA size limitations/restrictions (≤ 500 employees rule between January 31, 2020 and December 31, 2020)	(i) ≤ 500 employees (all full and part-time employees at time loan is disbursed), or, (ii) if applicable, the SBA's size standard/employees currently in effect
SBA Affiliation Rules applicable to Disaster Loans to Small Business Concerns apply –	 SBA Affiliation Rules waived during covered period for: Businesses that are assigned NAICS code starting with "72" (hospitality and food services) with not more than 500 employees Businesses operating as a franchise that is on SBA's franchise list Businesses that receive financial assistance from an SBIC
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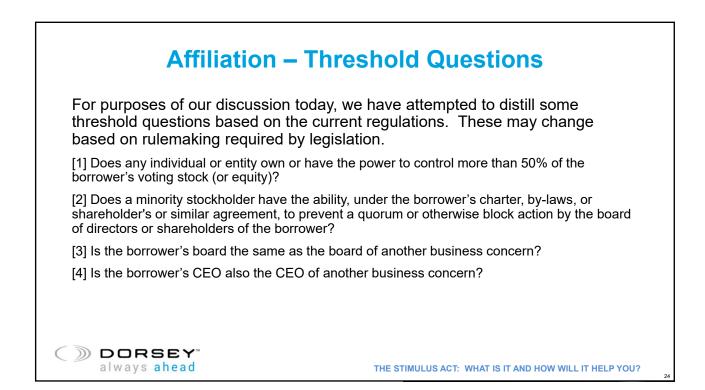
Overview of Disaster Relief and Paycheck Protection Programs

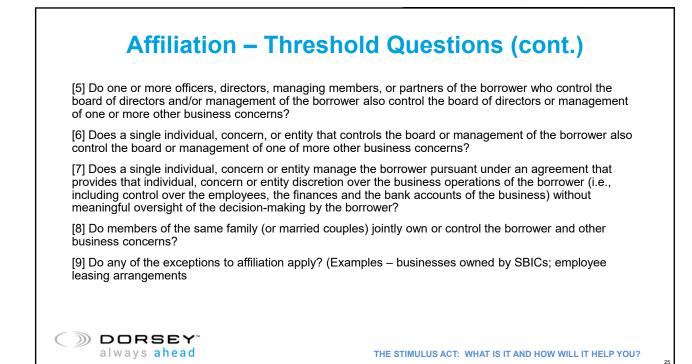
SBA Disaster Relief Program	SBA Paycheck Protection Program
No forgiveness	Amount forgiven to be lesser of (i) loan amount and (ii) sum of payroll costs (≤\$100k/yr) and mortgage interest, rent obligations and utility obligations incurred for eight weeks beginning on the date of the loan origination pursuant to contracts established prior to February 15, 2020 (forgiven amount reduced (i) if reduction of employees (monthly average) during the covered period form that of prior period and (ii) by an amount equal to reduction of salary of an employee over covered period in excess of 25% of salary for such employee in recent quarter
Substantial economic injury	Financial assistance needed for ongoing operations in light of CV19 disruptions
Guarantee and Collateral	N/A
Must show unable to access credit "on reasonable terms through traditional lending channels" - SBA Administrator Jovita Carranza	N/A
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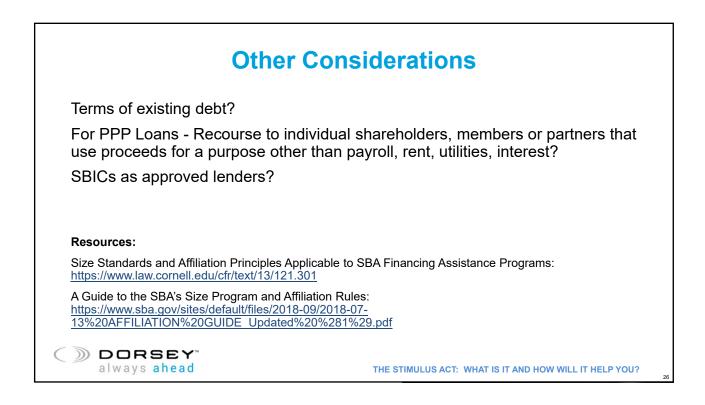
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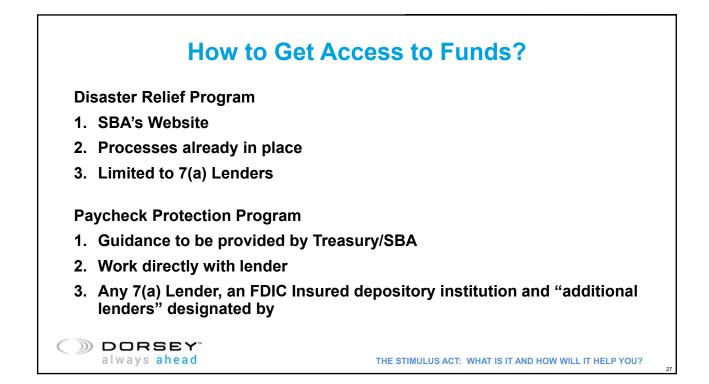
SBA Disaster Relief Program	SBA Paycheck Protection Program
\$50 billion appropriated	\$349 billion appropriated
Qualified 7(a) lenders	7(a) lenders, credit unions, FDIC insured institutions and "additional lenders"
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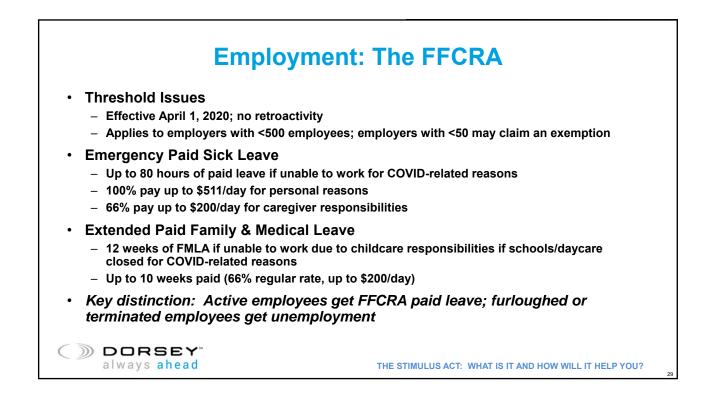


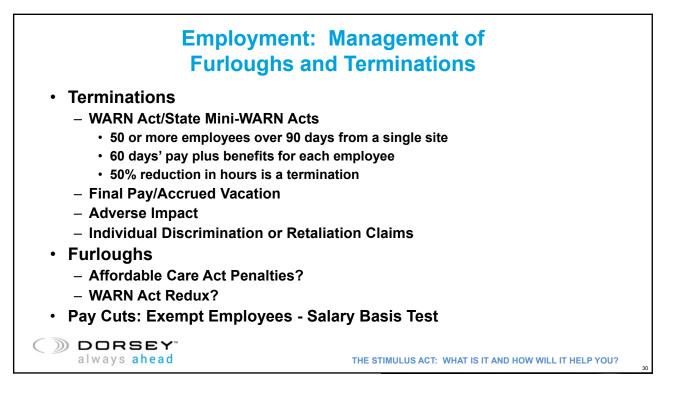


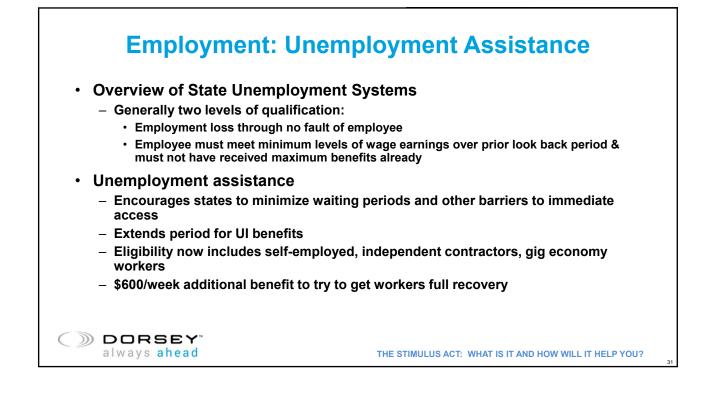




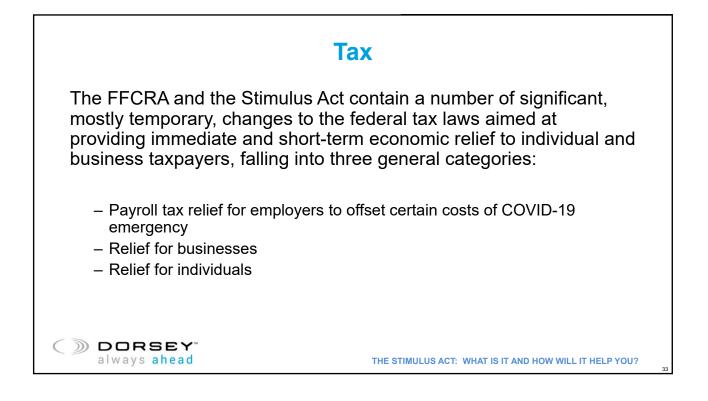


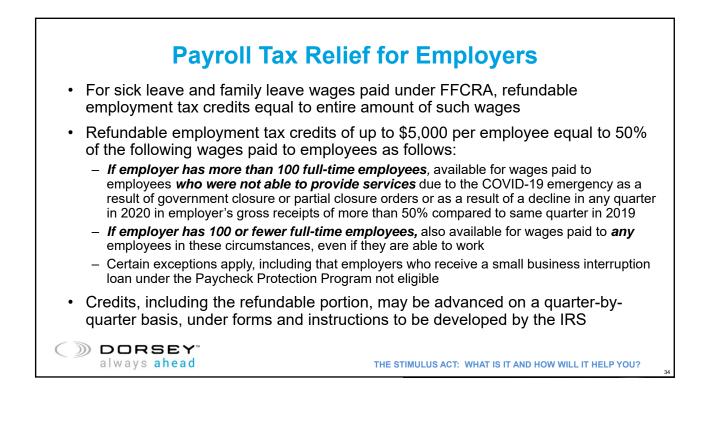


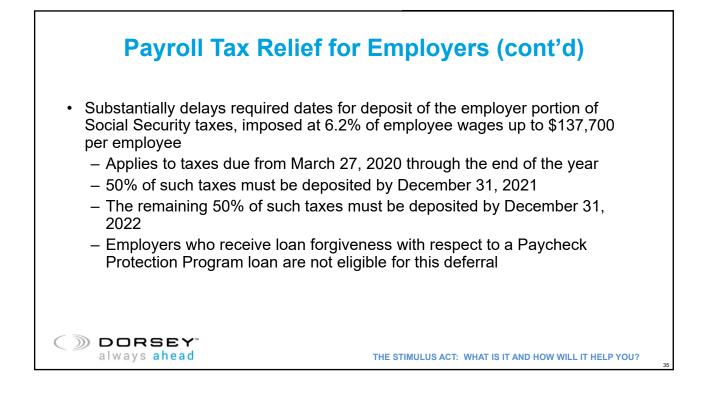


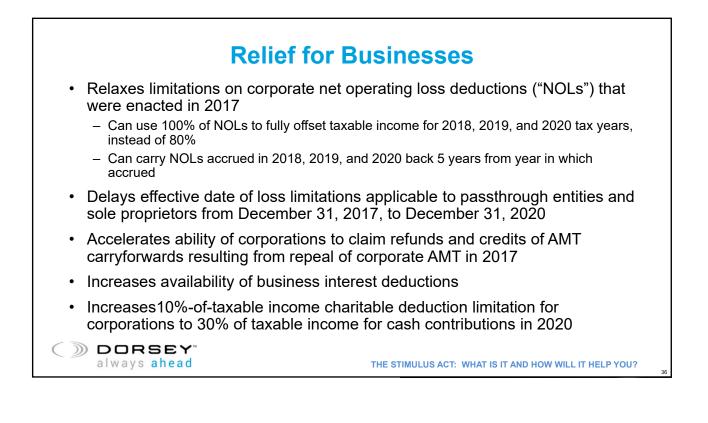


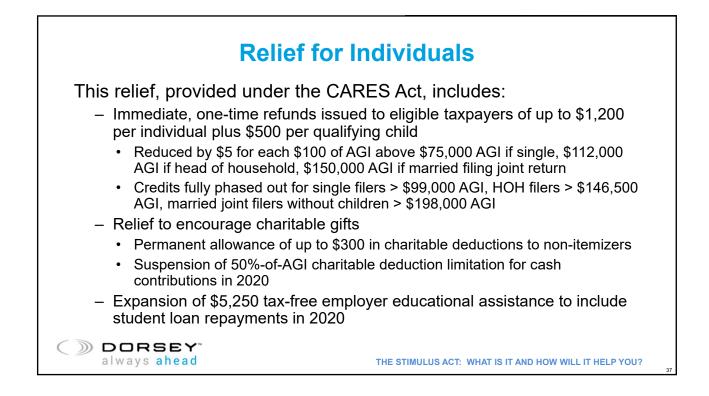


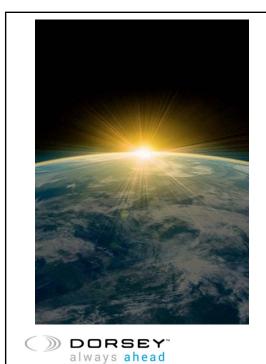












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Questions

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