



Overview of Grants & Forgivable Loans For Small Business Owners & Non-Profits in COVID Stimulus bill

Updated: December 21, 2020

Small Business - \$325 Billion

Critical funding and policy changes are included to help small businesses, including minority-owned businesses, and nonprofits recover from the pandemic. This bill includes \$284 billion for the Paycheck Protection Program (PPP) and extends PPP through March 31, 2021. Changes to PPP include:

- Provides a second PPP forgivable loan for the hardest-hit small businesses and non-profits with 300 or fewer employees and that can demonstrate a loss of 25% of gross receipts in any quarter during 2020 when compared to the same quarter in 2019;
- Creates a dedicated \$15 billion set-aside for lending through community financial institutions, including Community Development Financial Institutions and Minority Depository Institutions to increase access for minority-owned and other underserved small businesses and nonprofits;
- Creates a set-aside for very small businesses with 10 or fewer employees and for small businesses located in distressed areas;
- Expands PPP eligibility for more critical access hospitals, local newspapers and TV and radio broadcasters, housing cooperatives, and 501(c)(6) nonprofits, including tourism promotion organizations and local chambers of commerce;
- Allows for small businesses in the restaurant and hospitality industries to receive larger awards of 3.5 times average total monthly payroll, rather than 2.5 times;
- Adds PPE expenses, costs associated with outdoor dining, and supplier costs as eligible and forgivable expenses;
- Simplifies the forgiveness process for loans of \$150,000 and less;
- Repeals the requirement of deducting an EIDL Advance from the PPP forgiveness amount.

EIDL (Economic Injury Disaster Loan) Grant Program - \$20 Billion

This bill includes \$20 billion for EIDL Advance grants. Small businesses and nonprofits in low-income communities are eligible to receive \$10,000 grants. Any small businesses and nonprofits in low-income communities that received an EIDL Advance previously are also eligible to receive the full \$10,000 if their award was less in the first round of grants.

Grants for Shuttered Venue Operators - \$15 Billion

The bill provides \$15 billion for SBA grants up to \$10 million to live venues, independent movie theaters, and cultural institutions to address the economic effects of the pandemic. Grants can be used to cover expenses such as payroll costs, rent, utilities, and personal protective equipment. Two priority periods are established to ensure the hardest hit entities have dedicated access to assistance for the first 28 days of the program, while a reserve fund is made available ensure entities that are ineligible for the priority periods are able to receive assistance following the two 14-day priority periods. A set-aside of \$2 billion is also reserved for entities with 50 or fewer employees. The program is authorized to make supplemental grants equal to 50 percent of the initial grant.

Extended SBA Debt Relief Payments - \$3.5 Billion

This bill provides \$3.5 billion to resume debt relief payments of principal and interest (P&I) on small business loans guaranteed by the SBA under the 7(a), 504 and microloan programs. All borrowers with qualifying loans approved by the SBA prior to the CARES Act will receive an additional three months of P&I, starting in February 2021. Going forward, those payments will be capped at \$9,000 per borrower per month. After the three-month period described above, borrowers considered to be underserved—namely the smallest or hardest-hit by the pandemic—will receive an additional five months of P&I payments, also capped at \$9,000 per borrower per month. SBA payments of P&I on the first 6 months of newly approved loans will resume for all loans approved between February 1 and September 30, 2021, also capped at \$9,000 per month.

Enhancements of SBA Lending Programs - \$2 Billion

This bill provides \$2 billion to enhance SBA's core programs, including 7(a), Community Advantage, 504, and the Microloan program, by making them more affordable and useful to small businesses. It also provides \$57 million for the SBA Microloan Program to provide technical assistance and leverage about \$64 million in microloans for minority-owned and other underserved small businesses.

Community Development Financial Institutions and Minority Depository Institutions - \$12 Billion

This legislation includes funding for CDFIs, and support for a new Neighborhood Capital Investment Program to support CDFIs and MDIs, among other key policies to support the work of these lenders in underserved communities. This legislation also creates a set-aside of 25%, up to \$15 billion, of funds for distribution through community lenders like Community Development Financial Institutions, Minority Depository Institutions, microloan funds, and SBA certified development companies to better reach underserved businesses and nonprofits.