

# COVID-19 FINANCIAL ASSISTANCE PROGRAMS FAQs

## Updated as of April 9, 2020

### Can you apply for both a Paycheck Protection Program (PPP) and an Economic Injury Disaster Loan (EIDL)?

Yes, you can. There is no limit on applying for both. You do have to demonstrate that the funds you are using from the Paycheck Protection Program are covering a different set of expenses than what you are using the Economic Injury Disaster Loan for. The PPP is intended to be a short-term program. It covers 8 weeks of operating expenses. The EIDL program is a longer-term program where you can take out a larger loan amount. To learn more about the Paycheck Protection Program, click [here](#). To learn more about the Economic Injury Disaster Loan, click [here](#).

### After applying, when will you get the Paycheck Protection Program funds?

Some banks have processed those applications and disbursed the funds the very same day. Banks that are doing that are recording the debt on their own balance sheet. They are still waiting for the note from treasury. It just depends on which lender you are going through whether you will get those funds transmitted the very same day or not.

Notably, most lenders are starting with customers who have an existing relationship with them whether it's a banking relationship or a lending relationship. As you are thinking where to go to seek assistance for the Paycheck Protection Program, start with a lender you have a relationship with and get in the queue.

### What are the specifics for the Paycheck Protection Program that must be met for the loan to NOT have to be paid back?

The Paycheck Protection Program requires that 75% of the loan amount must be spent on payroll costs and the loan must be used for eligible expenses. Those eligible expenses include mortgage, rent, utilities, and there are some other debt obligations that could qualify. Please check with your lender that you are spending it on the appropriate expenses.

### A number of smaller practices use some of the smaller banks. Are there restrictions on the Small Business Administration (SBA) lending list that smaller banks may not be able to meet?

A number of community banks are participating and working directly with the treasury to ensure they can meet the requirements that were set forth in the SBA guidelines. Credit unions are still waiting for treasury to identify how they will be recording these debt obligations by issuing a note. By and large, they have not wanted to record these loans on their own balance sheet. To identify which banks are SBA lenders, click [here](#).

### What is the Economic Injury Disaster Loan limit and what is the loan advance maximum?

The Economic Injury Disaster Loan limit for small businesses is \$2 million. The loan advance maximum is \$10,000. To apply to the Economic Injury Disaster Loan, click [here](#).

### There has been rumors that the Paycheck Protection Program (PPP) loan amounts may be less than 2.5 times the monthly payroll due to the high number of businesses requesting it. Is that true?

This has not been verified. However, Congress may be taking up an emergency bill to expand the PPP by adding another \$250 billion to it. There have been comments made by the administration acknowledging that the funds made available to the PPP may not have been enough to meet the demand of the small business community.

### Do the employment salaries of owners of an LLC qualify for the Paycheck Protection Program?

Their salary should qualify. It is recommended to talk to your respective lender since there are some limits for individuals whose salary are above \$100,000 but the lender can help counsel.

**If a practice does not receive a Paycheck Protection Program (PPP) loan disbursement for 7 weeks and has to use its own funds for payroll, how does the practice show that the PPP funds are now being used to reimburse the practice for when they had to lay off prior to receiving funds?**

Reach out to your lender to determine what information would be applicable. Each lender is providing the criteria that they would need to demonstrate that it's going towards payroll to get that forgiveness.

**Will there be a delay in income tax payments this year in Virginia?**

Virginia has delayed income tax payments by 30 days.

**Does the Small Business Administration (SBA) Enhanced Debt Relief have to be paid back?**

Enhanced Debt Relief programs are programs that SBA will administer on an individual's behalf by automatically paying the principal interest and fees for a period of 6 months for current SBA loans. For new SBA loans, they will pay the principal interest and fees for a period up to September 27, 2020. To learn more about Enhanced Debt Relief, click [here](#).

**Are the SBA loans and the Public Health and Social Emergency Fund the same?**

No, the Public Health and Social Emergency Fund funds administered by HHS which is separate and distinct from the SBA funds. The Public Health and Social Emergency Fund is one they are still trying to finalize; distribution details are expected to be available soon.

**Can a practice get assistance with maintaining part time employees?**

Yes, part-time employees should be able to count for SBA loans.

**Will the CESA loans cover all specialties?**

Yes, they cover all specialties and all industries.

**Can all specialties participate in Advanced Payments for Medicare?**

Yes. All providers impacted by the pandemic are eligible who have been impacted by the pandemic (i.e., fewer patient visits, forgoing procedures, etc.).