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CLIENT ALERT
HELP FOR SMALL BUSINESSES UNDER
THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT
(the "CARES Act")

The outbreak of COVID-19 and the restrictions implemented to stop its spread have brought the operations of many small businesses to a grinding halt. This crisis has pushed many small businesses and their employees to the brink – concerned about weekly payroll, the possibility of layoffs, mandatory closures, and dwindling cash flow.

Help appears to be on the way. The recently enacted Coronavirus Aid, Relief and Economic Security Act, contains a new category of federally-funded small business loans known as the Paycheck Protection Program ("PPP"). Yesterday the Small Business Administration announced that lenders may begin processing applications as soon as April 3, 2020. The basic components of the PPP include:

- Loans for small businesses in an amount up to 2.5 times their average monthly payroll costs, subject to certain limitations.
- No requirements for posting of collateral, personal guarantees or other recourse against the owners of your business
- Deferral of any payments for at least 6 months and, with proper use of the loan funds, complete forgiveness of the loans with no repayment required
- Loan funds can be used for: payroll (including benefits), group health care premiums, rent, interest on mortgage obligations, and utilities
- Special provisions for business in the dining and hospitality industries

We at Gruccio Pepper DeSanto & Ruth, P.A., are prepared to assist our business clients whose needs may be met by this unique program. If you would like to speak to us further about this or any other challenge that your business has encountered in these difficult days, please call us at (856) 691-0100, or email sfabietti@grucciopepper.com.

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