The CARES Act was passed to assist business owners with immediate financial relief during the COVID-19 pandemic. The US Small Business Administration (SBA) and the Federal Reserve are administering several new loan programs to provide financial relief to small and medium sized practices due to COVID-19. The FAQs below will assist you, your practice managers and your consultants (e.g. accountants, lawyers) in identifying what is right for you. As the Administration develops additional guidelines, we will continue to make updates to this document.

What loan options are available for my practice now?

For practices under 500 employees:

- The Paycheck Protection Program (PPP) is available for small businesses to cover payroll up to $10 million or 250% of your average monthly payroll costs. Loans are forgivable on a sliding scale up to 100%. Businesses must have been operational on or before February 15, 2020.
- Economic Injury Disaster Loans (EILDs) emergency advance is for businesses with less than 500 employees. The application will take approximately 2 hours to complete and up to $10,000 can be requested as a loan advance. Please note the Small Business Administration is now reopening and accepting new applications as of June 15th.
- Express Bridge Loans are available for up to $25,000 for small businesses that were operational on or before March 13, 2020.
- The Debt Relief Program provides automatic payment for the principal, interest and fees of current and new 7(a), 504, and microloans issued prior to September 27, 2020.

For practices with more than 500 employees:

- The SBA has a Small Business Tool for practices to complete to see if they qualify. Enter “621111” for the 6-digit NAICS code.
- The Main Street Lending Program has launched as of June 15th. These loans are available for practices established before March 13, 2020 with fewer than 15,000 employees and annual revenues less than $5 billion
  - Practices are eligible even if they have received SBA PPP loans
  - Three types of loans are available. For all 3 types, the term will be for 4 years and the 1st year of payments will be deferred.
- Practices who take out these loans agree to maintain payroll, retain workers, and meet direct loan requirements.
- 501(c)(3) Non-profit businesses are now eligible for two new Main Street Lending Program loans, depending on certain requirements.

If I qualify for loans, how do I apply?

For SBA loans:

- Most of the loans are administered through local lenders identified by the SBA Local District offices. Search the eligible Paycheck Protection Program lenders to start.
- Paycheck Protection Program loan applications are available online to submit to your lender.
- Economic Injury Disaster Loans (EILDs) applications are available through SBA online. The application will take approximately two hours to complete and up to $10,000 can be requested as a loan advance.
- The other loan options need to be coordinated with your local bank or SBA Local District Office.

For the Main Street Lending Program:

- Borrowers will submit any documents as requested by the lender. It is the borrower’s responsibility to contact the lenders to determine their specific requirements.
- Eligible lender descriptions are outlined in the term sheets listed here.
What documents should I prepare to submit when I apply?

For SBA loans:
- You will have to provide proof that your practice was in operation before February 15, 2020 with employees that received salaries and for whom you paid payroll taxes (i.e., Social Security, Medicare)
- Lenders will ask you for good faith certification that:
  - The uncertainty of current economic conditions makes the loan request necessary to support ongoing operations
  - You will use the loan to retain workers and maintain payroll or make mortgage, lease, and utility payments
  - You do not have an application pending for a loan duplicative of the purpose and amounts applied for here
  - From Feb. 15, 2020 to Dec. 31, 2020, you have not received a loan duplicative of the purpose and amounts applied for here (Note: There is an opportunity to fold emergency loans made between Jan. 31, 2020 and the date this loan program becomes available into a new loan)

For Main Street Lending Program:
- Registration for eligible lenders is now open. Borrowers should contact their local banks for more information on accessing the loans through specific lenders.
- Borrower Certifications and Covenants were updated on June 11, 2020 for all three loan types. These documents can be reviewed here.
- In accordance with these covenants, the borrower will need to make good faith certification that your practice was in operation before March 13, 2020 and that you will comply with the terms and conditions of the program. You will also need to certify that you meet the eligibility requirements for number of employees and 2019 revenue
- For more information, visit the Federal Reserve website and the updated FAQs

Is there anyone that can help me with the SBA loans?
SBA has resource partners: Small Business Development Centers (SBDCs), Women's Business Centers (WBCs) and SCORE mentorship chapters. To locate resources in your area:
1. Go to https://www.sba.gov/local-assistance/find/ to get to the SBA Find Local Assistance search tool:
2. Do NOT enter a key word
3. Enter your zip code
4. In the “Provided By” dropdown menu, select:
   a. “Small Business Development Center” or “Women’s Business Center” for counselors and assistance with loan packages
   b. “SCORE Business Mentor” for local mentors, online advice, and webinars
5. Call or email and request assistance.

Can I get my loans forgiven?
- Paycheck Protection Program loans may be forgiven if borrowers use the loans to maintain their payrolls and pay other specific expenses. A guide to loan forgiveness can be found here and you can download forgiveness forms and worksheets here.

What about health insurance advance payments?
See our resource on Advanced and Accelerated Insurance Payment Programs Available During COVID-19 for the latest information.

Can I defer my payroll taxes?
- Businesses can defer their portion of Social Security (6.2%) and Medicare (1.45%) payroll taxes into two payments due late 2021 and 2022. However, you are not eligible for payroll tax deferral if you receive a loan under SBA’s Paycheck Protection Program.

Are there other options available, like grants or additional loans?
- State governors are offering small business loans and grants. The National Governors Association updates their website daily with state-by-state COVID policies.
- ACOG recommends practices consult with local accountants and lawyers to determine the best action plan for their practice.

Where can I find additional information?
- ACOG's online resource: Financial Support for Physicians and Practices During the COVID-19 Pandemic
- ACOG's free webinar, Financial Tips for Practices in Crisis: COVID-19 Resources, is available on demand now
- The US Chamber of Commerce has published useful resources related to the Small Business COVID-19 Emergency Loans and Main Street Lending Program
- US Senate Committee on Small Business and Entrepreneurship's Small Business Owner’s Guide to the CARES Act
- The Federal Reserve Bank of Boston held a webinar on Friday, May 29th at 11am ET for borrowers in the Main Street Lending Program. The recording is now available.
- The American Medical Association provides information about loans available to physician practices in this resource

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Information on practice management during the COVID-19 pandemic is developing rapidly and ACOG will release updates to policy and funding opportunities as they arise. ACOG continues to support its members during this time. If you have any further question or concerns, please reach out to us and submit your questions at covid@acog.org or acogcoding.freshdesk.com