

## 7/30/20 HEROES/HEALS Act Policy Webinar

### FAQ (as of 8/4/20)

**Q Would we need to apply for forgiveness from a previous PPP application before we could apply for a second one in the HEALS?**

A As currently written, no. You could apply for a second PPP if the prior loan is not yet forgiven.

**Q HEALS proposal for next round of PPP is based upon you already having received a first round of PPP, correct? Meaning, to be eligible, you must have applied and been awarded a PPP loan before Aug. 8th. Is that right?**

A Not exactly. As currently written, the PPP would be extended through December 31<sup>st</sup> and allow a second draw. So, you could apply for your first PPP loan during the extension period. Note, however, that you would be competing among a larger pool of potential borrowers for a more limited amount of funding. So, if you have not applied for a PPP loan, and wish to do so, **APPLY PRIOR TO AUGUST 8<sup>th</sup> – there is over \$100 billion available**. If you receive a loan, you may choose not to accept it if your circumstances have changed.

**Q At one time there was information (rumor?) that the interest rate on the EIDL might be lowered to something like 1% or even 0% for existing and future approved loans. Is this buried anywhere in the Acts being negotiated?**

A Not as yet for the EIDL loans. There is language and discussion to provide lower interest, long term loans at 1% , and a possibility that a portion of those loans could be forgiven (part of the RESTART Act); discussions, however, are ongoing. There is recognition that the rates on certain SBA loans such as EIDL are too high given the economic conditions, and that may be addressed in the next round of funding.

**Q Is there work on additional forgivability for those that took EIDL rather than PPP?**

A Not yet, however discussions are ongoing, see above.

**Q Can you expand on the 1% / 20-year EIDL loan?**

A The 1% loan we discussed is in the HEALS Act, and there is an even more generous provision in the RESTART Act. As currently contemplated, these loans are separate from EIDL. We are unaware of a current 20-year Economic Injury Disaster Loan (EIDL) at a 1% rate. For the most up-to-date SBA EIDL information, visit <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>