



CARES ACT: SMALL BUSINESS LOANS AND GRANTS ROUND 2

April 23, 2020

Dear Client,

The Small Business Administration (SBA) announced on April 16, 2020 that funds approved by Congress for the Paycheck Protection Program (PPP), totaling \$349 billion, had run out. Approximately 1.7 million businesses participated in the loan program, with an average SBA bank loan size of \$240,000 (source: SBA).

In the days that followed there was significant conversation and controversy regarding the disproportionate allocation of funds to larger businesses. Many believed that the intended recipients of the funds, the small business community, were not given a fair opportunity and appropriate consideration. In response to this, and other concerns, on April 21, 2020 Senate Republicans and Democrats reached a deal to approve a bill that provides an additional \$484 billion of coronavirus relief funding, including an additional \$310 billion for the government-backed PPP.

Action Steps: As a small business owner you have options.

- PPP – In the event that you did not apply for funds in the first round, apply now to secure your place in line for the second round.
- Economic Injury Disaster Loan Advance (EIDL) – This program is intended to provide an immediate lifeline of up to \$10,000. These funds also ran out soon after becoming available but can be an alternative or secondary source of funds. It's important to understand the limitations in the event that PPP and EIDL funds are both utilized. SAGE can help you navigate those nuances.
- Employee Retention Credit – This program encourages businesses to retain and pay employees and be eligible to receive payroll credits as a result. This can provide immediate relief as employers can reduce payroll tax deposits thus providing additional liquidity.
- Payroll Tax Deferral - This allows employers to defer the deposit and payment of the employer's share of Social Security taxes.
- Other options to explore include SBA Express Bridge Loans and SBA Debt Relief, see full options [HERE](#).

SAGE Private Wealth Group is ready to assist our small business clients, friends and community members as they consider and navigate the several relief programs offered by the government. Please pass this communication along with our contact information to others that are important to you and that you believe would benefit from this information. If you found this to be informative and useful, please let us know.

As always, we value your trust and relationship.

Kind Regards,

SAGE Private Wealth Group

Please note, changes in tax laws may occur at any time and could have a substantial impact upon each person's situation. While we are familiar with the tax provisions of the issues presented herein, as Financial Advisors of Raymond James, we are not qualified to render advice on tax or legal matters. You should discuss tax or legal matters with the appropriate professional. Content provided herein is based on our interpretation of the Care Act Stimulus and is not intended to be legal advice or provide a tax opinion. This document is a summary only and not meant to represent all provisions within the Care Act Stimulus.

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