

Wall Street Plaza  
88 Pine Street, 28<sup>th</sup> Floor  
New York, New York 10005  
phone: 212-483-0105  
fax: 212-480-3899  
www.coughlinduffy.com



350 Mount Kemble Avenue  
P.O. Box 1917  
Morristown, New Jersey 07962  
phone: 973-267-0058  
fax: 973-267-6442

PAUL I. WEINER, ESQ.  
SPECIAL COUNSEL  
DIRECT DIAL: (973) 631-6057  
EMAIL: PWEINER@COUGHLINDUFFY.COM

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Re: CARES ACT EMPLOYER LOAN AND OTHER PROVISIONS

Dear

The new law that is going to aid our economy and business during the Virus Crisis. There are numerous provisions. From a business point of view there are loans which will be used to maintain employment and basic related costs up to 10 million dollars.

1. The SBA (Small Business Administration) will provide these loans to small business who employ not more than 500 employees full and part time.
2. The maximum loan (up to \$10 million) is the lesser of 2.5 times average total monthly payroll costs incurred in the one year period before the loan is made.
3. There are a few borrower requirements
  - a) the loan is needed to continue the operations during the emergency.
  - b) the funds are used to retain workers and maintain payroll or make mortgage, lease and utility bills.
4. The payroll includes compensation it excludes compensation over \$100,000, payment made to individuals living outside the US, interest incurred before the covered period.
5. It allows for payment deferment for 6 to 12 months.
6. There is also a loan forgiveness provision equal to the costs incurred and payments made during the covered period: payroll costs, interest payments on mortgages, rent and utility payments.
7. There is a formula utilized to compute the forgiveness amount.
8. If the employer lays off workers the forgiveness amount will be reduced.



9. The Cares Act expand the SBA's disaster loan making which will include making advances in funds.

10. The new law extends unemployment insurance with an additional \$600 for four months and an additional 13 weeks of UC payments.

11. The new law provides refundable credits against payroll tax.

Very truly yours,

Paul I. Weiner, Esq.