Dear Tenant,

You’ve probably heard about the new assistance programs now offered by various governmental agencies.  It is critical that you make every possible to research these programs, learn about the applicable benefits, and apply for this assistance.

The intent of this letter is to highlight some of the referenced benefits and encourage you to seek assistance.  The following summary is intended only for informational purposes, and you consult professional guidance relative to applying for these programs. The CARES Act and its related details are being furtherly developed by the SBA, and your professional will be able to guide you through the application process.

Summary:

Congress has recently enacted two sweeping economic stimulus laws related to the coronavirus threat. They are the:

1.      Families First Coronavirus Recovery Act (FFCRA), which contains the:

a.      Emergency Paid Sick Leave Act.

b.      Emergency Family and Medical Leave Expansion Act.

2.      Coronavirus Aid, Relief, and Economic Security (CARES) Act – PPP (Paycheck Protection Program Loan) (7(a) loans) (as updated through 3/28/20)

The CARES Act is an SBA loan, which loan funds may be forgiven if you spend the money on the normal payroll and costs, rent, mortgage loan interest and utilities.  (see The CARES ACT below)

·         SBA Disaster Relief Program (loans):    [https://disasterloan.sba.gov/ela](https://urldefense.proofpoint.com/v2/url?u=https-3A__disasterloan.sba.gov_ela&d=DwMFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=WRgMf2YsZg0-8mSfdbDNRw1xoM-Ba-Svj2VDWw0wcI8&s=xq0wwfaBwE37xEarnOSXGPrrbuUSuygl8RxCcN6CPe0&e=)

Illinois has been added to the list of Presidential and SBA Agency Declared Disaster States, therefor making Illinois businesses and non-profits statewide eligible to apply for assistance via the SBA Economic Injury Disaster Loan (EIDL) program, a program providing low interest loans of up to $2M to businesses and private non-profits.   Proceeds cannot be used to pay the same expenses covered by the CARES Act PPP Loans if the business obtains the PPP loans.

Also of limited interest there is:

·         Hospitality Emergency Grant Program CLOSES April 1st    [https://us](https://urldefense.proofpoint.com/v2/url?u=https-3A__us&d=DwQFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=WRgMf2YsZg0-8mSfdbDNRw1xoM-Ba-Svj2VDWw0wcI8&s=ukxUW5XgcHeiKrDRxzhrQTWyX762QupMoig5h-amF30&e=).accion.org/news/covid-19-hospitality-business-grant-program

·         Illinois Small Business Emergency Loan Fund Opens April 1st     [https://www2](https://urldefense.proofpoint.com/v2/url?u=https-3A__www2&d=DwQFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=WRgMf2YsZg0-8mSfdbDNRw1xoM-Ba-Svj2VDWw0wcI8&s=lBozTqMLLBLRIBv9girRHw4147yIvNS3UnxdDwJcfag&e=).illinois.gov/dceo/SmallBizAssistance/Pages/IllinoisSmallBusinessEmergencyLoanFund.aspx

·         Chicago Small Business Resiliency Fund Opens March 31st   [https://www](https://urldefense.proofpoint.com/v2/url?u=https-3A__www&d=DwQFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=WRgMf2YsZg0-8mSfdbDNRw1xoM-Ba-Svj2VDWw0wcI8&s=yPEyZR0G8wtqf_-t_e8Cf25O-WifOC0TQFKmlC3g2ko&e=).surveymonkey.com/r/COVID19Chicago

The CARES ACT – Paycheck Protection Program Loans   (this program is intended for businesses with less than 500 employees)

The CARES Act, also known as the PPP/Paycheck Protection Program is monumental and probably the best program EVER for American businesses.  The government wants everyone to get through this pandemic with full employment, and full assistance to pay your rent and/or mortgage interest, and utilities.  Every business with 500 or less employees should apply.

Businesses, including self-employed people, may want to obtain this SBA PPP loan as opposed to the payroll tax credits in the FFCRA (they’re both based on the same payroll costs you continue to pay and you can’t double-dip and use the same payroll for both programs).

·         How much SBA PPP loan will you be able to get?

You get the SBA PPP loan based on 2.5x’s your average monthly disbursements over the past twelve months for payroll and cost, but not more than $10m.

Seasonal employers use the twelve-week period beginning February 15, 2019 or may elect to use the period March 1, 2019 through June 30, 2019 to compute the average monthly costs

Payroll costs includes salaries, wages, commissions, tips and independent contractor payments per person, group health insurances and employee benefit plan contributions.

Eligible payroll will not include amounts in excess of $8,333 per month ($100.000 per year) per employee, amounts paid to an employee whose principal place of residence is outside of the US, or amounts paid for qualified family leave wages for which a payroll tax credit is received under the FFCRA.

·         How much nontaxable loan forgiveness will you receive?

You will receive forgiveness of an amount up to the entire amount of the loan by submitting an Application for Loan Forgiveness to the bank lender that you did spend the loan money during the 8 weeks following the loan funding on the actual payroll and costs, rents, utilities, and interest on pre-2/15/20 obligations.

 Payroll amount to use for forgiveness is LIMITED to $8,333 gross per month per employee or independent contractor. So if any employee is making more than $100,000 per year, you will not gain forgiveness on the excess you pay during the 8 week covered period.

We urge you to consider the opportunities afforded under the PPP Loan.

Stay Safe and Healthy.