Dear Central Coast Small Business Owners,

As the COVID-19 pandemic continues to harm small businesses on the central coast of California, we in Congress understand the need to help support our local businesses and nonprofits, including independent contractors and the self-employed. Small businesses are the heart of our economy on the Central Coast, and we must do everything we can to preserve them during this emergency and as we recover from this virus.

To help small businesses during this time, Congress created the Paycheck Protection Program (PPP) and bolstered the Economic Injury Disaster Loan (EIDL) program by adding EIDL Emergency Advance grants, which provide emergency financing for small businesses through the Small Business Administration (SBA). The PPP in particular provides small businesses forgivable loans to keep their employees paid and cover other basic expenses, and the EIDL program can provide up to $10,000 advance grants in addition to longer-term loans.

The Paycheck Protection Program:

- Provides forgivable loans to cover up to 8 weeks of payroll, including benefits, in addition to rent, utilities, and mortgage interest.
- Can be utilized by small businesses and 501(c) and veterans nonprofits under 500 employees, in addition to independent contractors, sole-proprietors, and self-employed individuals.

The term of the Paycheck Protection Program loans are 2 years, at 1% interest, and payments are deferred for six months. Small businesses can apply through any current SBA 7(a) lender or other participating lender, and can find one here: https://www.sba.gov/paycheckprotection/find

Economic Injury Disaster Loans (EIDL) and Emergency Advances:

- Provides loans of up $2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- Provides up to $10,000 in emergency advance grant funding, which does not have to be repaid.
• Can be utilized by small businesses and 501(c) and veterans nonprofits under 500 employees, in addition to independent contractors, sole-proprietors, and self-employed individuals.

The terms of these loans are up to 30 years, at an interest rate of 3.75 percent for for-profit businesses.

Borrowers must apply directly with the SBA to receive EIDLs through the SBA's website when the program reopens for new applications.

There has been overwhelming demand for both of these programs, which previously caused funding for them to lapse and for the SBA to stop accepting applications. Last week, I voted for an interim funding package that provided an additional $310 billion for the PPP program and $50 billion for the EIDL program, including $10 billion for the Emergency Advance grants. The PPP program has reopened, and the EIDL program continues to process current applications and will reopen for new applications soon.

I understand that many small businesses are frustrated, and many were unable to receive funding from either of these programs before applications closed. I have heard this frustration loud and clear. To make sure that smaller businesses have access to PPP loans, Congress set aside $60 billion in PPP funds for smaller banks, community development financial institutions, and credit unions, who focus on serving smaller businesses.

I have also cosponsored the Paycheck Protection Program Extension Act, legislation that will allow businesses to easily extend their PPP loans for the duration of this pandemic, and authorize $900 billion in additional funding for the program. As stay-at-home orders are extended, I have heard from businesses who are worried that they may not be able to reopen in 8 weeks.

Small Business Resources:

I want you to know that my office is here to assist small business owners with SBA loans, and is available to answer questions about the program. You can contact my Salinas office at: 831-424-2229.

In addition, below are helpful links to resources:

• We have created a Small Business Owners’ Guide the to CARES Act, and the funding opportunities related to it, which can be accessed here:
  o In English
  o En Español

Small businesses can find a participating PPP Lender here: [https://www.sba.gov/paycheckprotection/find](https://www.sba.gov/paycheckprotection/find)

For additional assistance with SBA loans, borrowers may contact our regional SBA offices, Small Business Development Centers (SBDCs), or other organizations below:

- SBA Fresno District Office: fresno@sba.gov or (559) 487-5791
- SBA San Francisco District Office: sfomail@sba.gov or (415) 744-6820
- Cal Coastal SBDC in Salinas: [https://calcoastalsbdc.com/](https://calcoastalsbdc.com/) or (831) 424-1099
- Santa Cruz SBDC: [https://www.santacruzsbdc.org/](https://www.santacruzsbdc.org/) or (831) 479-6136
- El Pajaro Community Development Corporation: [http://www.elpajarocdc.org/](http://www.elpajarocdc.org/) or (831) 722-1224
- San Benito Business Council: [https://www.sbcbusinesscouncil.com/](https://www.sbcbusinesscouncil.com/) or (831) 524-0408
- Soledad Chamber of Commerce: info@soledadchamber.com or (831) 678-3941

Sincerely,

[Signature]

Jimmy Panetta
United States Representative
20th Congressional District, California