On Monday, March 30, I sent you an email with a summary from our law firm, Sherman & Howard, of the new “Coronavirus Aid, Relief, and Economic Security Act”, also known as the “CARES Act”.

I am sending this email to you today, with a link immediately below to our updated summary of the CARES Act, including a chart showing the differences between the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) Program; these are the 2 new SBA loan programs under the CARES Act which are designed to provide loan assistance by reason of COVID-19.

**Updated CARES Act Summary Link:** [HERE](#)

Here are the takeaways we view to be most germane to small businesses and non-profit organizations at this time:

- The major benefits of the Paycheck Protection Program are (a) no collateral required, (b) no personal guaranty required, and (c) potential loan forgiveness for the entire loan amount;

- The major benefits of the EIDL Program are (a) loan amounts are not tied to payroll but rather economic injury, (b) the loan terms can be up to 30 years, and (c) the SBA may provide $10,000 grants to applicants;

  I encourage you to look at the [Key Differences: PPP and EIDL Chart](#) which is also accessed via link within the above link for the Updated CARES Act;

- Our firm’s Small Business Administration/banking contacts advise that if borrowers wish to apply for these loans, they are best served by going directly to the bank with whom they have their existing, primary banking relationship, in order to start the process and obtain the necessary application documentation; this is because presumably that bank would have that borrower’s KYC (Know Your Customer) information and thus the borrower will avoid the delay in providing that information and having it processed;

- Our understanding is that several banks will be starting to accept applications starting tomorrow, Friday, April 3.

Because this legislation is brand new, there is fluidity as to how it will definitively operate and/or be implemented; hence, this is our best information at this time.

If you have questions about these programs, I will connect you with Lyle Wallace of my office who will be happy to have an initial call with you about these programs without charge.

If you wish to speak with Lyle, please let me know.
Sincerely,

Jon

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