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March 31, 2020

RE: UPDATED DETAIL ON SBA LOANS WHICH COULD PROVIDE ASSISTANCE TO YOU AND YOUR BUSINESS

Dear Tenant,

Yes, you are receiving the third letter in the month from me. I apologize for that, but in unusual times such as these, it is all about communication, communication, communication. This time I wanted to share more detail about the various loan programs offered through the SBA. This has some urgency as the CARES loan package which I wrote about last Sunday, apparently opens for applications this Friday.

Let me update you on what CARES is and I am attaching some details, prepared by others which I think you might find useful. The highlights of CARES are:

1. [CARES](#) is a bill that was passed by Congress last week designed to help small businesses (those with under 500 employees) get help during this national emergency to help with payroll, rent, and other operating expenses.
2. CARES is guaranteed by SBA but you need to go to your bank or another bank you are familiar with that does SBA loans. SBA does not handle this loan directly. I have [attached](#) what I am told is the application you will need to fill out for your bank.
3. You should, prior to applying at your bank, use the [attached](#) worksheet (or work with your accountant) to determine how much you are eligible to borrow. Generally, the maximum you can request is 2.5 x Eligible Monthly Payroll (which can include salary, commissions, bonuses, benefits, etc) less ineligible Payroll (salaries over \$100,000, etc).
4. All of the loan MAY be [forgiven](#), if by June 30th you have spent all of it on eligible payroll, rent, utilities and other allowed expenses. If you haven't spent all the money you will have to pay back the unforgiven part over a period of time.
5. **The key item to think about here – the loan is first come, first served.** There is limited capacity and each state has a certain amount of money they can use. You will need to use your relationship with your bank to have them focus on the loan and support you. That's why it is important to reach out to your bank now if possible and make sure they are ready for you when you bring in your application or they might handle it on-line. As stated above we believe banks will start accepting applications this **FRIDAY**.
6. There is another loan program that does not have forgiveness (although they do forgive the first \$10,000). It is called an Economic Injury Disaster Loan (EIDL). The EIDL is an on-line application and is funded by the SBA directly. You can apply for both loans, but they cannot cover the same purpose. The application is very simple, just like the CARES loan. If you go to [SBA.GOV](#) you should be able to find that application. I have [attached](#) a comparison of the two loan programs for your review and to show their differences.

I hope you find this information helpful. I cannot speak to all its accuracy as I am not a CPA nor an attorney but want each of you to have the best information we get, so you can decide what is best for your business.

Sincerely,

Sanford D. Sigal
President and Chief Executive Officer