When Can You Apply for a CARES Act Loan?

Enhanced guidelines issued by US Treasury Dept. show integrators and manufacturers can apply for CARES Act loans on April 3. Self-employed individuals can apply on April 10.

The U.S. Treasury Department has issued enhanced guidelines and set the dates for when small businesses can start applying for Small Business Administration (SBA) loans as part of the $2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act Phase III Stimulus package.

Any small for-profit business with fewer than 500 employees is eligible for a CARES Act loan. The government made a point of clarifying that all CAREs Act loan terms will be the same for every applicant. The federal government has set aside $349 billion for this Paycheck Protection Program.

The CAREs Act loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made.
- Employee and compensation levels are maintained.

Payroll costs are capped at $100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. Loan payments will be deferred for 6 months.

Application Dates Set:

Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive CARES Act loans to cover their payroll and other certain expenses through existing SBA lenders.

Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

2020 CE Pro Distribution Guide

The 2020 CE Pro Distribution Guide gives you a unique opportunity to appear in a comprehensive resource for integrators in the custom electronics industry. You'll have the chance to reach your target market: the custom installers who will turn to YOU not only for products but also for design consultations, product recommendations, training and more. Deadline to apply is May 8, 2020. Enter today.

(Editor’s Note: It is unclear exactly how the government is distinguishing between a “sole proprietor” versus a “self-employed individual” but it is likely related to how the business is incorporated.) Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.
Where to Apply for a CARES Act Loan? Small businesses can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.

The loan application can be found here.

Manufacturers and integrators should consult with their local lender as to whether it is participating in the CARES Act loan program. Visit www.sba.gov for a list of SBA lenders.