

**Jamestown/Stutsman Development Corporation (JSDC)
News and Updates – Connie Ova, CEO
3/27/2020**

SBA DISASTER LOANS

We are encouraging everyone to contact their local lender to keep the lender in the loop and for the first potential step of assistance and then the disaster application. I also have all the forms that they will see for the uploads and we have been sending them out encouraging clients to fill out long hand first, then the upload is much quicker and easier. Don't hesitate to have any of your clients contact me. We are here to help. Email me with any questions at any time at connie@growingjamestown.com or call or text my cell: 701-320-5770.

Here is the most current disaster information we have. The checklist has been approved by the Small Business Administration. The system has been overloaded; but I some have had good luck uploading at odd hours (late at night or early in the morning). Documents may be uploaded directly (preferred) or emailed to either ElA.doc@sba.gov or disasterloans@sba.gov.

The information is ever evolving but we are being told the payday loans of \$10,000 are being generated by the local lenders so if you get anything in regard to that please forward to me.

Three Step Process SBA Disaster Loans:

https://disasterloan.sba.gov/ela/Documents/Three_Step_Process_SBA_Disaster_Loans.pdf

DIRECT CASH SUPPORT

Most Americans will get direct cash support to help them weather the immediate financial impact, and a family of four would likely get \$3,400.

Here's how that is figured:

- \$1,200 per adult earning up to \$75,000 a year. Those earning between \$75,000 and \$99,000 will have that amount reduced by \$5 for every \$100 in income.
- \$2,400 per couple, filing jointly up to \$150,000 a year. Those earning between \$150,000 and \$198,000 will have that amount reduced by \$5 for every \$100 in income.
- \$1,200 for a “head of household”—single parent—can earn up to \$112,000 per year; with a reduced scale, up to \$136,500.
- \$500 per child.

What qualifies as your income level?

Technically, it is your **2020** income that qualifies. Since no one knows this year's income, the government is using 2018 and 2019 tax returns. It is conceivable, though unlikely, that you could owe the money back if you go above the income thresholds in 2020 after receiving the payment, but that would not be due until April 15, 2021. You may want to know what happens if you earned more than would qualify in past years but because of business or job loss will earn less this year. I don't know yet but will include that in a future newsletter update.

How will you get the money?

You will receive that check by direct deposit if the IRS has your bank details from your tax returns. If not, they will mail you a check.

When will you get the money?

The Treasury Secretary says he wants to get this out by April 6. It is unlikely it will happen that quickly and could take as long as eight weeks. Those getting the funds by direct deposit may get the funds earlier than those getting checks.

Is this money taxable?

No.

Unemployment Insurance, Now including Self-Employed and Gig Workers

- \$600 per week unemployment insurance is being made available for the self-employed, independent contractors, and gig workers who otherwise would not have qualified for unemployment.
- An additional \$600 per week is being given to those who already qualify for unemployment.
- Unemployment insurance will last for four months.

Small Business Loans and Grants The Keeping American Workers Paid and Employed Act

\$377 billion is being made available for small businesses (under 500 employees) and self-employed/sole proprietors/independent contractors, including franchises and non-profits.

. The maximum loan amount is 250% of one month's payroll costs (which includes wages, tips, taxes, health care, paid sick/family leave, vacation, retirement benefits). You can use loans for payroll, rent, commercial mortgage payments, utilities.

A few key provisions:

- Repayment deferral for one year, including principal and interest
- Maximum interest rate: 4%
- Fees lowered or waived
- No personal guarantees required

Loan forgiveness

A small business can get their loan “forgiven”—in essence turned into a grant instead of a loan—by the percent of employees they keep on payroll (with no more than a 25% reduction in pay), and you can get additional forgiveness if you increase paid wages for those who would otherwise have received tips.

- **SBA Express Loans:** The maximum loan amount for SBA Express loans would be increased from \$350,000 to \$1 million. Express loans provide borrowers with revolving lines of credit for working capital purposes.
- **Payroll tax deferment.** For the rest of 2020, you can defer payment of the 6.2% federal payroll tax—paying half in 2021 and half in 2022. You will still have to pay that tax, but you will have added cash flow now. Employers who do not apply for a small business loan but keep their employees on the payroll during the crisis would be eligible for a payroll tax credit (not just deferral).
- **Small Business Grants.** \$10 billion has been allocated for emergency grants of up to \$10,000 for small businesses applying for Economic Injury Disaster Loans (EIDL).