



ERIC J. FERNANDEZ & Co.

CERTIFIED PUBLIC ACCOUNTANTS
&
BUSINESS CONSULTANTS

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Dear Client, Associate & Friend,

This past Friday, the President signed the “CARES ACT” which will provide cash-flow assistance through 100 percent federally guaranteed loans to small businesses and select employers who maintain their payroll during the COVID-19 emergency. We are currently awaiting additional guidance from the Banks and the Small Business Administration (SBA) to move forward with loan applications.

Small Business Interruption Loan Update

Who qualifies?

Any business concern, private nonprofit organization, or public nonprofit organization including; sole proprietors, independent contractors and eligible self-employed individuals, which employs not more than 500 employees, is eligible to receive a loan under the Small Business Act.

How much can you borrow?

1. The maximum loan amount is 2.5 times your monthly payroll costs, up to \$10 million, with a maximum interest rate of 4%.
2. A portion of the loan can be forgiven. Subject to certain restrictions, the portion of the loan eligible for forgiveness can include payments made during an eight-week period following your loan funding (the eight weeks cannot go beyond June 30, 2020) for the following: payroll and benefits, interest payments on mortgages, rent payments, health insurance, and utility payments.
3. These will be unsecured loans that do not require personal guarantees.
4. You may be able to defer payments up to 12 months.

Allowable uses of your loan proceeds.

1. payroll support, including paid sick, medical, or family leave, and costs related to the continuation of group health care benefits during those periods of leave.
2. employee salaries.
3. mortgage payments.
4. rent, lease and utility payments.
5. any other debt incurred before the March 1st, 2020.

Will the loan be forgiven?

There are provisions for loan forgiveness based on employee retention and compensation. Let us assist you in determining if you qualify for this forgiveness.

We will continue to update you as further clarity to the “CARES ACT” becomes available.

SBA Disaster Relief Loan (EIDL)

This loan can provide you longer term relief and should be seriously considered as part of your overall business plan for the future.

1. Loans up to the lesser of 12 months expenses or \$2 million. 3.75% interest rate, no fees, up to 30 year terms.
2. Any business that has been negatively impacted can apply.
3. Expected processing time: 3-4 weeks.
4. You can request an immediate \$10,000 advance once you apply, payable within 3 days.

The entire Firm of Eric J. Fernandez & Co. is committed to working with you through this most unprecedented time. We want to be proactive so you, our Client, can obtain your rightful funds and assist us all in surviving this Pandemic.

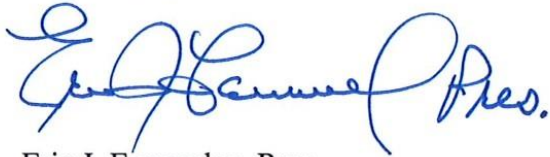
For more information, email our Firm and request your partner or manager, and we will work with you navigating the tax provisions and application process for financial assistance as information and direction becomes available.

www.ejfco@ejfcpa.com

Be Safe.

Respectfully,

ERIC J. FERNANDEZ & CO.

A handwritten signature in blue ink, appearing to read "Eric J. Fernandez Pres.", written in a cursive style.

Eric J. Fernandez, Pres.