



# CARES Act Information on Small Business Administration (SBA) Loans Available to Dental Practice Owners

## 1. The SBA Economic Injury Disaster Loan (EIDL)

[Apply here for an SBA EIDL](#) or email [team@eAssist.me](mailto:team@eAssist.me) and we'll complete your application for you.

**Eligibility:** Any business concern, non-profit organization (501(c)3), veterans organizations (501(c)19), or tribal business that employs less than 500 employees (per location) or meets size standard; sole proprietors, independent contractors, and eligible self-employed individuals. Nonprofits receiving Medicaid expenses are ineligible.

**Max Amount of the Loan:** \$2 million

**Interest Rate:** 3.75% for small businesses; 2.75% for non-profits.

**Turnaround time:**

1. For the first 1,000,000 entities, a cash grant that does not have to be repaid of \$10,000 is available within 3 days. (A provision to set aside 10 billion dollars to be used directly for this purpose is in the CARES Act—hence the reason why this \$10,000 grant is limited).
2. The rest of the loan may take 3-6 months before the money is received.

**Deferment:** Up to six months

**Terms:** Up to 30 years

**Forgiveness:** \$10,000 of any cash advance, if used to maintain payroll and monthly expenses.

**Personal Guarantee:** Required, but may be waived—yet to be determined.

*Information presented here is subject to change due to the fluid nature of this crisis. For live updates, please visit [dentalbilling.com](http://dentalbilling.com).*

## 2. The SBA 7(a) Express Loan

You can apply for an SBA 7(a) Express Loan at many local banks. You can find a [list of approved SBA lenders here](#). Alternatively, you can apply through a broker using [Lendio.com](#) for no additional fee.

**Eligibility:** Any business concern, non-profit organization (501(c)3), veterans organization (501(c)19) or tribal businesses that employs less than 500 employees (per location) or meets size standard. Sole proprietors, independent contractors, and eligible self-employed individuals. Nonprofits receiving Medicaid expenses are ineligible.

**Maximum Amount of the Loan:** \$1 million

**Interest Rate:** 4% (maximum)

**Turnaround Time:** 36 hours

**Deferment:** Up to six months

**Term:** 10 years

**Personal Guarantee:** Not required

**Usage of Loan Proceeds:**

The SBA enforces limitations on how a business owner can use the funds provided. The funds must be used in accordance with the [guidelines for SBA 7\(a\) loan usage](#). That said, SBA loans are well known to cover a wide variety of central business activities, making them an invaluable resource for any small business. You can find a [summary of acceptable uses for SBA 7\(a\) Loan Proceeds](#) here.

## 3. The SBA 7(a) Paycheck Protection Program (PPP) Loan

You can apply for an SBA 7(a) Paycheck Protection Program (PPP) Loan at many local banks. You can find a [list of approved SBA lenders here](#). Alternatively, you can apply through a broker using [Lendio.com](#) for no additional fee.

**Eligibility:** Any business concern non-profit organization (501(c)3), veterans organization (501(c)19) or tribal business which employs less than 500 employees (per location) or meets size standard. Sole proprietors, independent contractors, and eligible self-employed individuals. Nonprofits receiving Medicaid expenses are ineligible.

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**Maximum Amount of the Loan:** 2.5 times the employer's average monthly payroll cost for the trailing twelve months, up to \$10 million. Which includes the following (subject to some exceptions):

1. Wages (W2 employees and independent contractors)
2. Tips
3. Family Medical Leave (FML)
4. Health benefits
5. Retirement
6. State and local taxes

**Interest Rate:** 4% (maximum)

**Turnaround Time:** 2 weeks

**Deferment:** Up to six months

**Term:** 10 years (anything left over that isn't forgiven)

**Personal Guarantee:** Not required

**Loan Forgiveness:**

This loan does have a forgiveness feature that begins on the date your loan originates, if the funds are used within 8 weeks. Forgiveness of the loan is allowed even if you laid off employees after Feb 15, so long as you rehire to the same number of full-time employees by June 30, 2020. If you don't rehire the same number of full-time employees, a portion of your loan will not be forgiven (a formula is used). Applicable payments made on the following items may be eligible for forgiveness:

1. Payroll (including paid sick, medical or family leave)
2. Group health benefits
3. Rent
4. Mortgage interest
5. Utilities

Loan forgiveness rules:

1. The maximum forgiveness period covers 8 weeks and starts at the loan origination date.
2. The amount of forgiveness can be reduced by any change in staffing or payroll expenses.
3. Amounts forgiven shall be excluded from taxable income.
4. Businesses may not be forgiven for amounts paid for leave if they are eligible for a tax credit to offset the cost.