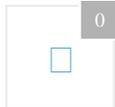
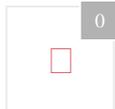
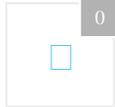




COLUMNIST ARTICLES, NEWS

# Better Business with Malvern: How to Use New Loans and Grants Amid the COVID Crisis

APRIL 14, 2020 by [HILLARY DOBBS](#)

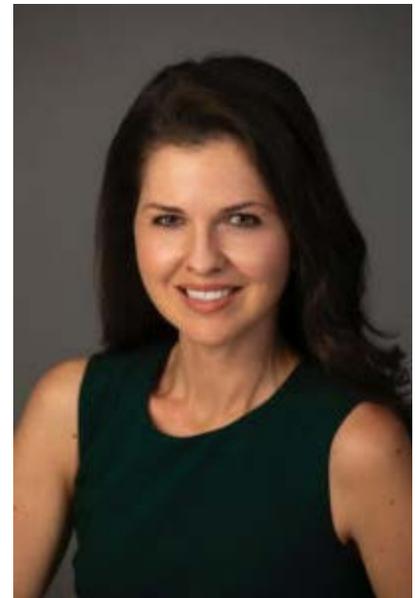


We know running a business in our industry can be hectic and stressful on a good day. During these turbulent times of COVID-19, the economic pressure can add up even more quickly with the responsibilities of your barn, horses, students, and employees riding on your shoulders. Fortunately, several relief options that have been made available that may help mitigate some of that financial stress. I wanted to provide an overview of relief efforts to date that provide emergency loans and grants to small businesses, including equestrian businesses.

The Coronavirus Aid, Relief and Economic Security (CARES) Act was passed into law on March 27, 2020 and includes the following:

## Paycheck Protection Program (PPP)

The Act provides \$350 billion to the Small Business Administration (SBA) to administer loans through banks to small businesses with 500 employees or less. Loans have a 2-year term, 1% interest rate and the first 6 months of payments are deferred. Loan size can be up to 2.5 times the borrower's average monthly payroll costs with a maximum of \$10 million. The small business is eligible for loan forgiveness if they retain their employees or brings employees back who were laid off. Loans can be applied through a local bank starting on April 3, 2020 for most entities and April 10, 2020 for independent contractors and self-employed. You must apply by June 30, 2020.



### SBA Debt Relief

The CARES Act also allocated \$17 billion to pay all principal, interest and fees on existing SBA loans, including 7(a), Community Advantage, 504 and Microloan programs for 6 months.

### SBA Economic Injury Disaster Loans (EIDL)

First issued by the Coronavirus Preparedness and Response Supplemental Appropriations Act on March 6, 2020 and amended by the CARES Act, the SBA was authorized to provide low interest working capital loans up to \$2 million to small businesses and non-profits. The Act allows for a business to apply and receive the amount of their injury due to the virus. An emergency advance of up to \$10,000 can be applied for and paid within 3 days of application and does not have to be repaid, even if the loan is denied. Loan term of up to 30 years with a 3.75% interest rate for businesses and 2.75% for non-profits. Unlike PPP, there is a collateral requirement for loans over \$25,000 and personal guarantees for amounts over \$200,000.



Other State Relief Funding

Depending on what state your business resides in, there are many state specific relief efforts as well. For instance, in Pennsylvania, the Pennsylvania Industrial Development Authority (PIDA) through its Small Business First Fund allocated \$60 million to provide loans up to \$100,000 to for-profit businesses with 100 or fewer full-time employees affected by the virus. Your state may have other programs and we would be happy to assist in researching those for you.

Malvern Bank is participating in the PPP program and began taking applications on Friday, April 3. We look forward to assisting you, our clients, navigate these uncharted waters during this difficult time. Please reach out to any of our convenient financial centers at 610.644.9400.

#### Additional Resources and Links

[CARES Act link from US Chamber of Commerce](#)—what you need to know and guide to qualifications

Guide to SBA Economic Injury Disaster Loans (EIDL)

[https://www.uschamber.com/sites/default/files/uscc\\_covid19\\_sb-economic-injury-disaster-loans.pdf](https://www.uschamber.com/sites/default/files/uscc_covid19_sb-economic-injury-disaster-loans.pdf)

[https://www.uschamber.com/sites/default/files/023595\\_comm\\_corona\\_virus\\_smallbiz\\_loan\\_final.pdf](https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf)

[Information on available programs](#)

[FAQ on CARES Act](#)

[SBA Loan Streamlined Process:](#)



HILLARY DOBBS

