

**Former ACEC Texas Chair and current ACEC National Vice-Chair, Gary Raba, D.Eng., P.E., has asked that we pass along the following memo regarding the CARES Act:**

## **Understanding the CARES Act**

I know that for many businesses, the Coronavirus Aid, Relief, Economic Security Act (CARES Act) may be a lifeline in the midst of economic uncertainty. The legislation provides vital lending assistance to help businesses maintain their workforce and operations and manage ongoing needs.

That is why ACEC cannot stress enough that you need to **take action NOW**.

Please familiarize yourself with the **attachments**. Forms attached are from the SBA, several financial institutions I am familiar with, and easy one-page information sheets.

- [Paycheck Protection Program \(PPP\) Overview](#)
- [PPP:Borrower Information Fact Sheet](#)
- [PPP:Lender Information Fact Sheet](#)
- [PPP:Application Form for Borrower](#)
- [Small Business Administration PPP Webinar Materials – Provided by J.P Morgan](#)

If your business would qualify, **call your banker** and let them know you are interested in filing for lending benefits to assist your business. **DO IT NOW**. The SBA has set **Friday, April 3<sup>rd</sup>**, as the **first day applications can be submitted**.

ACEC and ACEC Texas are working to develop resources and insights that will help you make strategic decisions for your business. Below is a brief summary of the program.

### **Highlights of the SBA 7(a) Loan Program:**

- Applies to employers who were in business before 02/15/20 and have less than 500 employees
- The maximum loan amount will be the lesser of \$10 million, or an amount calculated based on a formula of payroll costs from the prior year of the loan date
- Covered costs do not include the compensation to employees making over \$100K
- Loans can used for salaries, mortgage payments, rent, and utilities
- Loan forgiveness will be reduced based on failure to maintain the average number of full-time equivalent employees between the period from either February 15, 2019 through June 30, 2019 or January 1,2020 through February 29, 2020, as selected by the borrower.
- Forgiveness can also be reduced to the extent that compensation for any individual making less than \$100,000 per year is reduced by more than 25% measured against the most recent full quarter.
- Interest rate maximum is 4%
- Maximum term is 10 years
- Reduced loan fees with SBA
- Collateral and personal guarantee requirements are waived
- No prepayment penalty
- Loans will be processed thru banks that are currently approved SBA 7(a) lenders

Sincerely,

Gary Raba, D.Eng., P.E.  
ACEC National Vice-Chair