



WORLD FLOOR COVERING
ASSOCIATION

PPP Loans Are Not The Only Loans Available

Dear World Floor Covering Association Member,

Whether or not a flooring retailer, contractor, or installer was able to secure a Payroll Protection Plan (PPP) loan, they are likely to need additional financial support. Even with a PPP loan, it covers only 8 weeks of payroll and part of a business's other expenses. There are a variety of other options including Small Business Act (SBA) Economic Injury Disaster Loans (EIDL), SBA Emergency EIDL grants, and the SBA Express Bridge Loan Pilot Program. In addition, states and local cities and counties are offering a variety of loan and grant programs. To check out whether there are programs in your location, go to **[MailScanner has detected a possible fraud attempt from "r20.rs6.net" claiming to be https://www.zenefits.com/workest/the-big-list-of-covid-19-financial-assistance-programs-for-small-businesses-by-state/.](https://www.zenefits.com/workest/the-big-list-of-covid-19-financial-assistance-programs-for-small-businesses-by-state/)**

The Federal Reserve recently announced another option for businesses; its highly anticipated Main Street Lending Program (Program). This Program is designed to facilitate credit to small and mid-sized businesses that were in good financial standing before the COVID-19 crisis. The Program offers 4-year loans to companies employing up to 10,000 workers or with revenues of less than \$2.5 billion. Principal and interest payments on these loans will be deferred for one year. Firms that have taken advantage of the PPP are also eligible to take out Main Street loans.

Businesses seeking loans under either facility must commit to, among other things:

- Make reasonable efforts to maintain payroll and retain workers.
- Follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the CARES Act.
- Not seek to cancel or reduce any of its outstanding lines of credit with the lender, or any lender.

Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses.

With the rapid pace at which laws, rules and orders are being issued, WFCA is working to keep members informed and updated regarding their opportunities and obligations during the COVID-19 crisis. The Association will also continue to provide important information

that may impact members. In the meantime, please feel free to send your concerns or questions directly to jeffw@jkingesq.com and mperkins@lobbyit.com.

Notice: *The information contained in this article is abridged from legislation, court decisions, and administrative rulings and should not be construed as legal advice or opinion, and is not a substitute for the advice of counsel.*

Together,

WFCA Team

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