Small Business Administration Loans – Information & Resources

In response to the economic harm that the COVID-19 outbreak has created, the government has empowered the Small Business Administration (SBA) through stimulus packages to issue loans to small businesses that meet SBA size requirements. We encourage ABA members to review available options and consult with your financial institutions to understand the option best for your situation.

While “small” businesses are generally defined as those enterprises with 500 or fewer employees, baking industry enterprises may still qualify if they employ more than 500 employees. SBA utilizes NAICS codes to identify what qualifies as a small business, below are a few relevant thresholds to bakeries:

<table>
<thead>
<tr>
<th>NAICS code</th>
<th>NAICS US Industry title</th>
<th>Size standard in number of employees (max)</th>
</tr>
</thead>
<tbody>
<tr>
<td>311811</td>
<td>Retail Bakeries</td>
<td>500</td>
</tr>
<tr>
<td>311812</td>
<td>Commercial Bakeries</td>
<td>1000</td>
</tr>
<tr>
<td>311813</td>
<td>Frozen Cakes, Pies, and Other Pastries Manufacturing</td>
<td>750</td>
</tr>
<tr>
<td>311821</td>
<td>Cookie and Cracker Manufacturing</td>
<td>1250</td>
</tr>
</tbody>
</table>

If unsure of your eligibility, [click here](https://www.sba.gov/funding/size-calculator) to use the SBA’s size calculator.

**Economic Injury Disaster Loans (EIDLs)**

*Designed to “provide economic relief to businesses that are currently experiencing a temporary loss of revenue,” this loan offers quick relief to applicants.*

<table>
<thead>
<tr>
<th>Borrowing Information</th>
<th>Loan Terms</th>
<th>How to Apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Can borrow up to $2 million, including a $10,000 advance.</td>
<td>- 30-year loan</td>
<td>Click here to apply</td>
</tr>
<tr>
<td>- Advance available within 3 days and can be forgivable.</td>
<td>- 3.75% interest rate</td>
<td></td>
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<tr>
<td></td>
<td>- Based on applicant’s credit score</td>
<td></td>
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All 50 states and Washington, DC have been declared “disaster zones,” making your business eligible for this funding program.

[Click here](https://www.sba.gov/funding/disaster-loans) to learn more about the coronavirus Economic Injury Disaster Loans.
Paycheck Protection Program

A product of the phase 3 stimulus package, the CARES Act, the Paycheck Protection Program is “designed to provide a direct incentive for small businesses to keep their workers on the payroll.”

<table>
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| - Can borrow up to $10 million  
- Loan amount will typically be 2.5 times your average monthly payroll amount | - 10-year loan  
- 1% interest rate  
- Repayment deferred 6-12 months  
- Amount “forgiven” depends on share of workforce kept on or rehired by 6/30/20 | - Please contact any SBA lender. We encourage you to inquire with your current financial institution.  
- Can apply between April 3 and June 30.  
- Click here to view the application. |

Loan money can be used for:
- Payroll
- Rent
- Mortgage Interest
- Utilities

Loan stipulations:
- Borrowers are allowed to choose which 8 weeks loans will count towards between the period of February 15 and June 30.
- Payroll costs must comprise at least 75% of loan spending in order to be eligible for full forgiveness.

Helpful Links:
- Paycheck Protection Program Homepage
- Click here for a one-page overview of the program
- PPP FAQ Document from Treasury Department
- Click here for a longer lender guidance document
- Affiliation Rules Regarding Eligibility

***ABA encourages you to inquire with your banker regarding this program as there is a limited amount of funding ($349 B) available, owners hoping to take advantage of this program should start the application process with a lender as soon as possible. The Paycheck Prevention Program is only available until June 30, 2020.***

We know that coronavirus has brought tough times to the baking industry and its suppliers. ABA remains committed to providing resources to aid you in restoring your operations. Please let us know if you have any questions or concerns.