

# A L E R T

April 1, 2020

TO: All Medicaid Providers

RE: Governor Ivey Announces Opportunity for Small Business Assistance

Small business owners are encouraged to act NOW to prepare to apply for federal relief related to the Coronavirus (COVID-19) pandemic. While waiting for federal relief, Governor Ivey encourages small business owners to contact their local banker, accountant, financial advisor, or credit union for information about who is eligible, what documents are needed, and how best to apply for finding relief caused by COVID-19.

The Paycheck Protection Program (PPP) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. All loan terms will be the same for everyone.

The loan amounts will be forgiven if:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the eight-week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at \$100,000 on an annualized basis for each employee. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. Loan payments will be deferred for six months. Although the PPP will not be open until June 30th, businesses are encouraged to apply quickly because there is a funding cap and lenders will need time to process loans.

**Application Dates:**

April 3, 2020 Small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

April 10, 2020 Independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

For more information, please visit the U.S. Small Business Administration's website at <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>.

To view Governor Ivey's letter to small business owners and the Paycheck Protection Program borrower fact sheet, visit <https://governor.alabama.gov/newsroom/2020/04/governor-ivey-urges-alabama-small-business-owners-to-prepare-now-by-applying-for-federal-financial-relief/>.