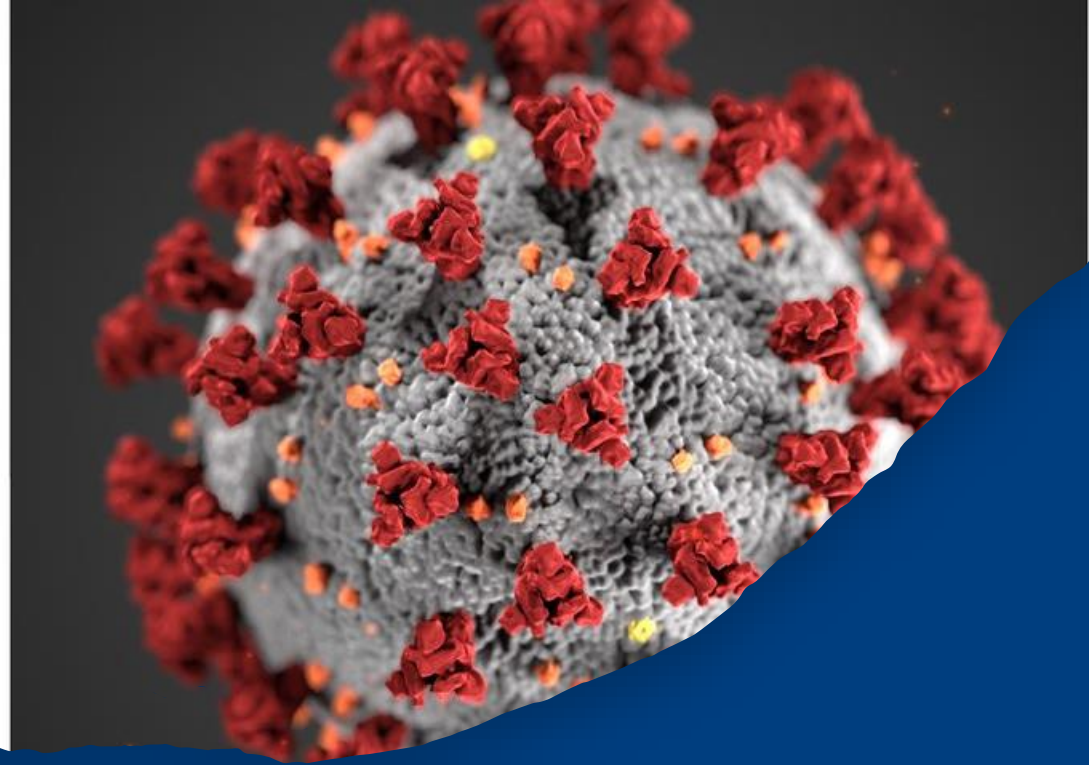




U.S. Small Business
Administration

COVID-19: Guidance for Small Businesses

sba.gov/coronavirus



COVID-19 Funding Updates

Puerto Rico and US Virgin Islands
District Office

By the Numbers

COVID-19 Funding in the US Virgin Islands and Puerto Rico

Economic Injury Disaster Loan

As of November 23, 2020

USVI:

- 1,748 approved loans for \$93,911,100
- 69.5% penetration among 2514 small businesses territory-wide*
- Highest % penetration nationwide

PR:

- 23,674 loans approved for \$1,263,376,100
- 54.4% penetration among 43,548 small businesses*
- 2nd highest penetration nationwide

* Source: [2020 Small Business Profiles For The States And Territories – SBA's Office of Advocacy](#)

Paycheck Protection Program

As of August 8, 2020:

USVI:

- 2,057 approved loans for \$126,446,683

PR:

- 39,544 approved loans for \$1,812,671,163

This presentation is only an overview of the PPP & EIDL processes as of January 14, 2021.

It includes information from guidance documents located on www.sba.gov or www.treasury.gov.

Please personally review these documents regularly.

The SBA cannot give you specific advice. You should understand the instructions for yourselves.

You may want to consult with an accountant, consultant or an advisor.

Paycheck Protection Program Forgiveness

Frequently Asked Questions



PPP Forgiveness FAQs - General

| Question | Answer |
|---|--|
| What documentation does the borrower submit to the Lender with its forgiveness application? | <p>Either Loan Forgiveness Application Form 3508, 3508EZ, 3508S;</p> <p>Payroll: Documentation verifying eligible cash compensation and non-cash benefit payments: such as bank account statements, tax forms, payment receipts, cancelled checks;</p> <p>Nonpayroll: Documentation verifying existence & payment of obligations & services prior to Feb. 15, 2020: such as copy of lender amortization schedule; copy of lease; utility invoices, copies of cancelled checks.</p> |
| Can PPP lenders use scanned copies of documents, E-signatures, or E-consents for loan forgiveness applications and loan forgiveness documentation? | Yes , in compliance with the requirements of the Electronic Signatures in Global and National Commerce Act (P.L. 106-229). |
| If a borrower submits a timely loan forgiveness application, does the borrower have to make any payments on its loan prior to SBA remitting the forgiveness amount, if any? | No , as long as a borrower submits its loan forgiveness application within ten months of the completion of the Covered Period. |

PPP Forgiveness FAQs – Payroll

| Question | Answer |
|--|---|
| Are payroll costs that were incurred during the Covered Period or the Alternative Payroll Covered Period but paid after eligible for loan forgiveness? | <p>Yes, if the payroll costs are paid on or before the next regular payroll date after the Covered Period or Alternative Payroll Covered Period.</p> <p>NB: The Covered Period or Alternative Covered Period for any borrower will end no later than December 31, 2020.</p> |
| In calculating cash compensation, should borrowers use the gross amount before deductions for taxes, employee benefits payments, and similar payments... or the net amount paid to employees? | The gross amount should be used when calculating cash compensation. |
| Can a borrower pay lost tips, lost commissions, in addition to salaries / wages and have such costs qualify for loan forgiveness? | Payroll costs include all forms of cash compensation paid to employees, including tips, commissions and hazard pay. |

PPP Forgiveness FAQs – Non-Payroll Costs

| Question | Answer |
|--|---|
| Are nonpayroll costs incurred prior to the Covered Period, but paid during the Covered Period, eligible for loan forgiveness? | Yes , eligible business mortgage interest costs, eligible business rent or lease costs, and eligible business utility costs incurred prior to the Covered Period and paid during the Covered Period are eligible for loan forgiveness. |
| Is interest on unsecured credit eligible for loan forgiveness? | No. Payments of interest on business mortgages on real or personal property (such as an auto loan) are eligible for loan forgiveness. Interest on unsecured credit is not eligible for loan forgiveness because the loan is not secured by real or personal property. |
| Are payments made on recently renewed leases or interest payments on refinanced mortgage loans eligible for loan forgiveness if the original lease or mortgage existed prior to February 15, 2020? | Yes. If a lease that existed prior to February 15, 2020 expires on or after February 15, 2020 and is renewed, the lease payments made pursuant to the renewed lease during the Covered Period are eligible for loan forgiveness. Similarly, if a mortgage loan on real or personal property that existed prior to February 15, 2020 is refinanced on or after February 15, 2020, the interest payments on the refinanced mortgage loan during the Covered Period are eligible for loan forgiveness. |

PPP Forgiveness Process Timelines

1. **Borrower** completes and submit Loan Forgiveness Application (SBA Form 3508, 3508EZ or 3508S) to lender with proof of payroll and non-payroll payment
2. **Lender** reviews application, decides on loan forgiveness or denial, and submits decision to SBA within 60 days
3. **SBA** confirms or denies forgiveness decision within 90 days of lender submittal
4. **Lender** notifies borrower in writing within 5 days of SBA notification of
 - forgiveness amount
 - SBA review or denial
 - remaining balance due
 - balance due date (if applicable)
5. **Borrower** repays any remaining balance due on the loan on or before the maturity date of the loan

An appeal by a PPP borrower of any SBA loan review decision does not extend the deferral period of the PPP loan.

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

USVI Local Assistance



SBA PR & USVI District Office

<https://www.sba.gov/pr>

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Helping Businesses Grow & Succeed

Virgin Islands Small Business Development
Center

<http://www.visbdc.org>

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Currently accepting virtual appointments

St. Thomas/St. John

#2 John Brewers Bay

St. Thomas VI 00802

(340) 693-1694

St. Croix

6300 Estate Peters Rest #4

Christiansted, St. Croix VI 00820

(340) 692-4294

info@visbdc.org

Small Businesses Targeted for new Covid Scams

There's a new **coronavirus-related scam** making the rounds. It starts with an **email that claims to come from the "Small Business Administration Office of Disaster Assistance."** It **says you're eligible for a loan of up to \$250,000 and asks for personal information like birth date and Social Security number.**

Clue #1. You got an **email or phone call out of the blue** that claims to be from the IRS, the Social Security Administration, or – in this case – the Small Business Administration. The FTC has warned about [government imposter scams](#) like this.

Clue #2. You **were told that you're automatically eligible for a big loan.** Real lenders never do this.

Clue #3. You're **asked to hand over your date of birth and Social Security number.** This is a tip-off that the sender is trying to steal your personal information.

January 13, 2021 by Lesley Fair: Attorney, Division of Consumer and Business Education, FTC

