



# **COVID Stimulus Program**

## **A special update for Kimco Tenants and Vendors**

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*JANUARY 14, 2021*

# Today's Speakers

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**Will Teichman** is Kimco's Vice President of Business Operations, overseeing Leasing Operations, Marketing/Corporate Communications and Specialty Leasing.



**Mark Cutler** serves as the Regional Vice President of the Northeast Region of SCORE. Mark brings expertise in Financial and General Management and Entrepreneurship.



**Frank LaMonaca** serves as Chapter Chair for SCORE Southeastern CT, bringing a wealth of experience in commercial banking and general management with 21 years in commercial lending.



**Julio C. Casiano, MBA**  
**Deputy District Director**  
**United States Small Business Administration**



## PPP APPLICATION ASSISTANCE FOR KIMCO TENANTS

The recently approved \$900 billion coronavirus stimulus package includes \$284 billion in Paycheck Protection Program (PPP) funds to assist small businesses. We encourage all eligible tenants to apply as soon as possible, and through our Tenant Assistance Program (TAP), we are once again providing complimentary resources to assist you in the application process.

KIMCO HAS IDENTIFIED TWO FORMS OF ASSISTANCE  
FOR OUR TENANTS TO CHOOSE FROM, **AT NO COST**



For links to BlueVine and AES, visit our COVID-19 Response page at <https://www.kimcorealty.com/covid-19-response>

If you have questions about these resources, please email [TAP@kimcorealty.com](mailto:TAP@kimcorealty.com) and a member of our team will assist you.

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### BLUEVINE APPLICATION PORTAL

**BlueVine**, a leading provider of small business banking solutions and an official direct non-bank PPP lender, created an online PPP application for Kimco tenants that uses advanced technology to expedite and automate the application process. **The company reported that it delivered nearly \$4.5 billion in PPP loans to 155,000 small businesses during the previous funding rounds**, with some applicants receiving same-day funding, even as many banks were unable to keep pace with the large volume of applications. BlueVine will support Initial and Second Draw PPP loans for existing and new customers through their online dashboard.



**Asset Enhancement Solutions, LLC**

*Creative Solutions to Financial Challenges*

### AES PERSONALIZED SUPPORT

For those tenants seeking more personalized assistance, Asset Enhancement Solutions, LLC (AES), a **financial advisory firm that helped more than 800 small businesses access over \$100 million in PPP funding last year**, also is available to support Kimco tenants in evaluating their options, their eligibility, understanding loan terms and assembling the required application materials. AES is an agent for a number of large banks, and can advise Kimco tenants on their options based on their individual business needs. AES can also provide multilingual support for tenants speaking Mandarin, Spanish, Vietnamese, and Portuguese.

# SCORE & KIMCO

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- SCORE is a resource partner of the SBA with more than 11,000 volunteers across the country
- SCORE offers free and confidential mentoring to small business
- SCORE has successfully assisted KIMCO tenants and suppliers since early 2020 when the CARES ACT first came out
- SCORE provides one-on-one assistance to your small business
- SCORE can be contacted at <https://www.score.org/kimco> and a mentor in your geographical area will contact and assist you and your small business within 48 hours

Find a mentor at <https://www.score.org/kimco>

# New COVID Stimulus Bill Passed

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- On December 21, 2020, Congress passed the Consolidated Appropriations Act, 2021 (Bill)
- With bipartisan support, President Trump signed the Bill into effect on December 27, 2020
- The \$1.4 trillion omnibus spending agreement covers many different provisions and includes an additional \$900 billion in coronavirus relief
- The new [Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act](#) clarifies questions about the loan process, application rules, and PPP Loan forgiveness

# Paycheck Protection Program (PPP) Overview

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- The U.S. Small Business Administration, in consultation with the Treasury Department, announced on January 8, that the Paycheck Protection Program (PPP) re-opens this week for new borrowers and certain existing PPP borrowers
- To promote access to capital, initially [only community financial institutions were able to make First Draw PPP Loans on Monday, January 11](#), and Second Draw PPP Loans on Wednesday, January 13
- **Eligible lenders with \$1 billion or less in assets for can accept First and Second Draw applications on Friday, January 15, 2021 at 9 a.m. EST.**
- **The portal will fully open on Tuesday, January 19, 2021 to all participating PPP lenders to submit First and Second Draw loan applications to SBA.**

# EIDL Overview

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- The [U.S. Small Business Administration](#) announced that the deadline to apply for the [Economic Injury Disaster Loan \(EIDL\)](#) program for the COVID-19 Pandemic disaster declaration is extended to Dec. 31, 2021

# Key Items

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WHAT YOU NEED TO KNOW



# Our Focus Today

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- Paycheck Protection Program
- Economic Injury Disaster Loan
- Unemployment Assistance
- COVID-Related Tax Relief Act of 2020

# Paycheck Protection Program

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# Paycheck Protection Program Eligibility – 1st Time Borrowers

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***If you did not previously request a Paycheck Protection Program loan and you are applying for the first time, you are eligible to apply if you are a:***

- Small business, self-employed individual, sole proprietor, independent contractor, or small agricultural cooperative, non-profits including churches with 500 employees or less
- Accommodation and food services operations with fewer than 300 employees per physical location
- Expanded eligibility for some 501(c)(6) organizations with 300 employees or less
- Local newspapers, TV, and radio stations previously ineligible due to affiliation rules

***YOU MUST HAVE BEEN IN OPERATION ON FEBRUARY 15, 2020 TO BE ELIGIBLE***

# Paycheck Protection Program Eligibility – 2nd Time Borrowers

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***If you previously applied for a Paycheck Protection Program and are seeking additional funds, you are eligible to apply if you are a:***

- Small business, self-employed individual, sole proprietor, independent contractor, or small agricultural cooperative, non-profits including churches with 300 employees or less
- Accommodation and food services operations with fewer than 300 employees per physical location
- ***You also must demonstrate at least 25% reduction in gross revenues between comparable quarters in 2019-2020***

# Paycheck Protection Program – Terms & Conditions

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## LOAN BASICS

- **How Much:** Up to \$2 million
- **Interest Rates:** 1% for all borrowers
- **Repayment Terms:** 5 years
- **Other:** No collateral or personal guarantee required. Not dependent on credit scores

**NOTE: THESE LOANS ARE NOT INTENDED TO REPLACE LOST SALES**

# Paycheck Protection Program Terms & Conditions

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## ALLOWABLE USES (EXPANDED)

- **QUALIFYING PAYROLL EXPENSES** – including certain health & leave benefits, payments on mortgage interest (not principal); rent; utilities; & covered operations expenditures, property damage costs, supplier costs, and covered worker protection expenditures

## CALCULATING THE AMOUNT YOU MAY QUALIFY FOR

- **NON-SEASONAL EMPLOYERS:**
  - Calculated at **2.5x avg. monthly payroll** costs, up to \$2M (either 1 year period before loan is made, or calendar year 2019)
  - Small businesses with NAICS code 72 (**Accommodations & Food Services**) can request **3.5x avg. monthly payroll**
- **SEASONAL EMPLOYERS:**
  - **2.5x avg. monthly payroll** costs, up to \$2M for a 12-week period now between February 15, 2019 and February 15, 2020.

# Paycheck Protection Program – Document Preparation

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## DOCUMENTATION TO GET READY

- 2019 tax returns or 2019 year-end financial statements
- 2020 tax returns (***estimated, Schedule C/K***) or ***2020 year-end financial statements***)
- Last 4 quarters of payroll forms (941's)
- Verification of the number of employees and payroll incurred over the most recent 12-month period identifying employees paid in excess of \$100,000
- Forms 1099-MISC for self-employed individuals

**CONTACT YOUR LENDER NOW – DEADLINE FOR ALL NEW LOANS IS MARCH 31, 2021**

# Paycheck Protection Program – Loan Forgiveness Enhancements

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## NEW PPP LOAN FORGIVENESS GUIDELINES

- **60/40 Rule Remains:** At least 60% must be used for allowable Payroll costs
- **Covered Period:** Allows borrowers to select their loan forgiveness covered period starting on the day of disbursement of the funds, and choosing a time period between 8 and 24 weeks
- **Simplified Forgiveness for Loans Under \$150k:** Process TBD. Also increases SBA's ability to review and audit forgiven loans of all sizes
- **Borrower Certifications:** The process requires certifications to be made, as well as a written description to include number of employee retained because of the PPP loan
- **EIDL Advances:** No longer have to be subtracted from PPP forgiveness amount



# Economic Injury Disaster Loan

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# U.S. SBA COVID-19 Economic Injury Disaster Loan Program

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## EIDL APPLICATION DEADLINE EXTENDED

- Application Deadline extended through Dec. 31, 2021
- EIDL loan applications will be accepted through December 2021 – pending the availability of funds
- Loans are offered at very affordable terms:
  - 3.75% interest rate for small businesses
  - 2.75% interest rate for nonprofit organizations
  - 30-year maturity, and an automatic deferment of one year before monthly payments begin
- Application can be made directly through the SBA via its website:  
<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

# U.S. SBA COVID-19 Economic Injury Disaster Grant Program

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***Eligible businesses, independent contractors, gig workers, and self-employed individuals are eligible for up to \$10,000 in grants (not required to be repaid) if:***

- They are located in a low-income community
- They suffered an economic loss of greater than 30% during an 8-week period between March 2, 2020, and December 17, 2021, relative to a comparable 8-week period immediately preceding March 2, 2020, or during 2019
- They employ not more than 300 people
- They are a qualifying business, such as a small business, private non-profit, sole proprietorship, or independent contractor; and they were in operation by January 31, 2020

***Every eligible small business and nonprofit is encouraged to apply to get the resources they need at:***  
**<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loans>**

# U.S. SBA COVID-19 Economic Injury Disaster Grant Program

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## SHUTTERED VENUE OPERATOR GRANTS

- Grants will be offered for live venues, theaters, and museums that have lost at least 25% of revenue
- Monies received from these grants are to be used for specified expenses, such as payroll, rent, utilities, and PPE
- Those hardest-hit (i.e. 90% revenue loss) will be eligible for the first 14 days of the program, followed by those with 70% revenue loss in the next 14 days, followed by all other eligible entities.

# Unemployment Assistance

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# Extension and Benefit Phaseout Rule for Unemployment

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- ***Unemployment assistance is extended to March 14, 2021 for:***
  - Those currently receiving, but not yet exhausting, benefits
  - Governmental entities
  - Nonprofit organizations
- Limits pandemic unemployment assistance to any week prior to April 5, 2021
  - **i.e. no benefits payable for any week beginning after April 5, 2021**
- Increases maximum number of weeks covered from 39 to 50
- ***Adds additional unemployment funding of \$300 per week*** for weeks of unemployment beginning on or after December 26, 2020 and ending before March 14, 2021 (previously was \$600 from the date the State entered into agreement with the federal government and ending on or before July 31, 2020)

# **COVID-Related Tax Relief Act of 2020**

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# COVID-Related Tax Relief Act of 2020

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## ***DELAY OF PAYMENT OF EMPLOYER PAYROLL TAXES***

- Employers and self-employed may defer their Social Security tax (6.2%) paid to an employee on a pay date during the period September 1, 2020 and ending April 30, 2021 (previously December 31, 2020) – but only if the amount of such wages or compensation paid for a bi-weekly pay period is less than the threshold amount of \$4,000
- Taxes must be withheld and paid back between January 1, 2021 and April 30, 2021; Interest will begin accruing on January 1, 2022
- Caution: There is no mention if such tax deferral will result in underpayment penalties if not repaid by April 30<sup>th</sup>



# COVID-Related Tax Relief Act of 2020

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## EMPLOYEE RETENTION TAX CREDIT

- Eligibility: State & Local run colleges, universities, organizations providing medical or hospital care, & certain other organizations as designated
- **Restrictions relaxed:**
  - **Businesses can now claim the credit even if taking a PPP loan (however, they can't claim credit on wages paid with *proceeds of PPP loan that were forgiven*)**
  - **Businesses can take the credit even if an affiliate (> 50% common ownership) has taken a PPP loan**
  - **Businesses now eligible to take the credit can amend 2020 payroll tax filings for a refund**
- Requirements – Business is continuing to pay employees while:
  - Business operations are fully or partially suspended, OR
  - Gross receipts have dropped > 20% in the calendar quarter when compared to the same quarter in 2019

# COVID-Related Tax Relief Act of 2020

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## EMPLOYEE RETENTION TAX CREDIT (CON'T)

- Tax Credit Details:
  - Credit of 70% of qualified wages (up to \$10k) for each quarter for a maximum credit of \$14k/employee
  - Maximum credit limit per employee starts over at 1/1/2021, regardless if credit taken in 2020
  - Tax Credit is extended for wages paid through 6/30/2021
- How to Claim the Credit: Treasury Department drafting guidance to allow companies with <500 employees to take an advance payment of the credit (i.e. monetize the credit before wages are paid) based on 70% of the average quarterly payroll for the same quarter in 2019
- Employee threshold limit increased from 100 to 500

## Extension of the Families First Coronavirus Relief Act (FFCRA)

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- The Act provides business tax credits to cover certain costs of providing employees with required paid sick leave and expanded family and medical leave for reasons related to COVID-19, from April 1, 2020, through March 31, 2021 (previously December 31, 2020)
- Employers have the choice of paying the applicable mandatory paid sick and family leave through December 31, 2020, as indicated in FFCRA, or extending payment eligibility through March 31, 2021, subject to all other obligations under FFCRA (this extension also applies to the emergency paid sick leave and family medical leave provisions applicable to self-employed individuals)
- Regarding emergency paid sick leave and family medical leave, self-employed individuals may now elect to use earnings from the prior taxable year rather than the current taxable year

# Questions?

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# Appendix

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JANUARY 14, 2021

# Appendix

- 1 Rollout
- 2 First Draw Loans & Forgiveness Updates
- 3 Second Draw Loans
- 4 Forms and Guidance
- 5 Overview of New PPP Platform for Lenders
- 6 Additional Resources

# SBA Paycheck Protection Rollout

## Important Dates

- Community Financial Institutions (CFIs) can begin submitting **new First Draw PPP** loan origination requests (*SBA Form 2483 rev. 1/8/21*) through the Platform on **Monday, January 11, 2021**.
- CFIs can begin submitting **Second Draw PPP** loan origination requests (*SBA Form 2483-SD*) through the Platform on **Wednesday, January 13, 2021**.
- Shortly thereafter, all other lending institutions will be notified that they are able to submit loan application information to SBA.

### What is a CFI?

Community Financial Institutions include the following organizations:

- Community Development Financial Institutions,
- Minority Depository Institutions,
- Certified Development Companies, and
- Microloan Intermediaries

### How do I know if my institution is a CFI?

If "Lender Location Enabled for Origination in Etran" is checked in Institution Settings, your institution is an enabled CFI (see example below).

### My institution is not a CFI. What am I enabled to do in the Platform now?

Organization admin users can begin to add users in the Platform and review new and updated materials on the Resource tab in the Platform.



## New Feature Alert



There will be a time lapse between when a Lender submits PPP application information to SBA and when SBA provides an SBA loan number back to the Lender due to additional front-end compliance checks.

# First Draw Loans & Forgiveness Updates

- Eligible applicants that **did not** receive a PPP loan prior to August 8, 2020, will now have the ability to apply for a PPP First Draw Loan on or before March 31, 2021.
- Eligibility for PPP loans has been revised to include additional types of entities.
- Covered eligible expenses **expanded** and now includes the following: payroll costs, rent, mortgage interest, utilities, **operations expenditures, property damage costs, supplier costs, and worker protection expenditures.**
- Certain borrowers may request an increase to their original PPP loan amount.



## News Alert



All PPP lenders must register with [www.sam.gov](http://www.sam.gov) no later than 30 days after disbursement of their first PPP loan Help Guide for [Registering on SAM.gov](http://www.sba.gov/ppp).



## WHO CAN APPLY FOR PPP FIRST DRAW LOAN

- Business entities (e.g., partnerships, corporations, LLCs)
- Sole proprietors, independent contractors, self-employed individuals
- 501(c)(3)
- 501(c)(6)
- 501(c)(19) Veterans organization
- Tribal business, and
- **Housing cooperatives, destination marketing organizations, and eligible news organizations.**

Must comply with size standards, eligibility criteria, and certain limitations.

Information Current as of 1/10/21 – Visit [www.sba.gov/ppp](https://www.sba.gov/ppp) for the most up-to-date information.

## FORGIVENESS UPDATES

- Borrower now has the option to **select** a covered period during which they can use PPP loan proceeds anytime between 8 and 24 weeks after disbursement.
- SBA **will no longer** deduct EIDL advances from forgiveness payment.
- If lender has already received a forgiveness payment net of an EIDL Advance, SBA will provide a reconciliation payment to lender to be applied to the outstanding loan balance.
- Under development: simplified forgiveness application for loans \$150K and under.

Information Current as of 1/10/21 – Visit [www.sba.gov/ppp](https://www.sba.gov/ppp) for the most up-to-date information.

## PPP Second Draw Loans

Eligible borrowers that previously received a PPP First Draw Loan may apply for a PPP Second Draw Loan of up to \$2 million with the same general loan terms as their PPP First Draw Loan.

- For most borrowers, the maximum loan amount of a PPP Second Draw Loan is 2.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- For borrowers in the Accommodation and Food Services sector (NAICS 72), the maximum loan amount for a PPP Second Draw Loan is 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- PPP Second Draw Loan applicants must use the new SBA Form 2483-SD Borrower Application.

Information Current as of 1/10/21 – Visit [www.sba.gov/ppp](https://www.sba.gov/ppp) for the most up-to-date information.



## **WHO CAN APPLY FOR PPP SECOND DRAW LOAN**

Targeted Eligibility, a borrower is generally eligible for a PPP Second Draw Loan if the borrower:

- Was eligible for and previously received a PPP First Draw Loan;
- Has or will use the full loan amount only for eligible expenses before the PPP Second Draw Loan is disbursed;
- Has no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

Information Current as of 1/10/21 – Visit [www.sba.gov/ppp](https://www.sba.gov/ppp) for the most up-to-date information.

# Forms and Guidance

## Updated PPP First Draw Borrower and Lender Forms

[SBA Form 2483 – First Draw Borrower Application](#)

[SBA Form 2484 Lender Guaranty Application](#)

## New PPP Second Draw Borrower and Lender Forms

[SBA Form 2483-SD Second Draw Borrower Application](#)

[SBA Form 2484-SD – Second Draw Lender Guaranty Application](#)

## PPP Lender Agreements (*e.g. for lenders who want to become PPP lenders*)

[Form 3506 – Updated PPP Lender Agreement](#) (for federally insured depository institutions, federally insured credit unions, and Farm Credit System institutions)

[Form 3507 – Updated PPP Lender Agreement](#) (for non-bank and non-insured depository institutions)

## New PPP Guidance and Resources

[Accessing Capital for Minority Underserved, Veteran and Women-Owned Business Concerns Guidance](#)

[Interim Final Rule #1 – PPP as Amended by Economic Aid Act](#)

[Interim Final Rule #2 – PPP Second Draw Loans](#)

[Top-Line Overview of First Draw PPP Loans](#)

[Top-Line Overview of Second Draw PPP Loans](#)

[Procedural Notice: 5000-20074 PPP Forms](#) (Modifications to PPP SBA Forms 3506, 3507 and 750 CA)

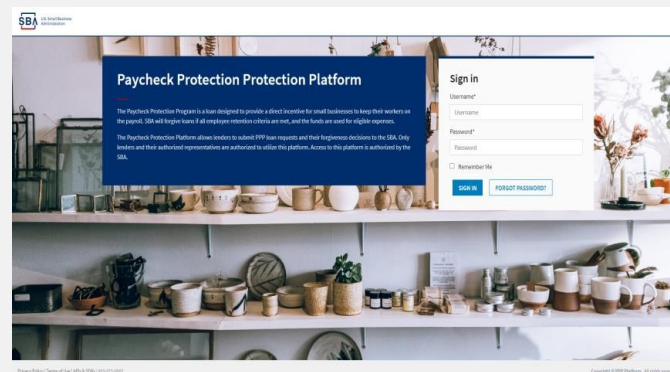
[Procedural Notice - SBA Procedural Notice on Repeal of EIDL Advance Deduction Requirement](#)

# SBA Paycheck Protection Platform

The SBA Paycheck Protection Program Platform for originating all PPP loans can be accessed at <https://forgiveness.sba.gov>

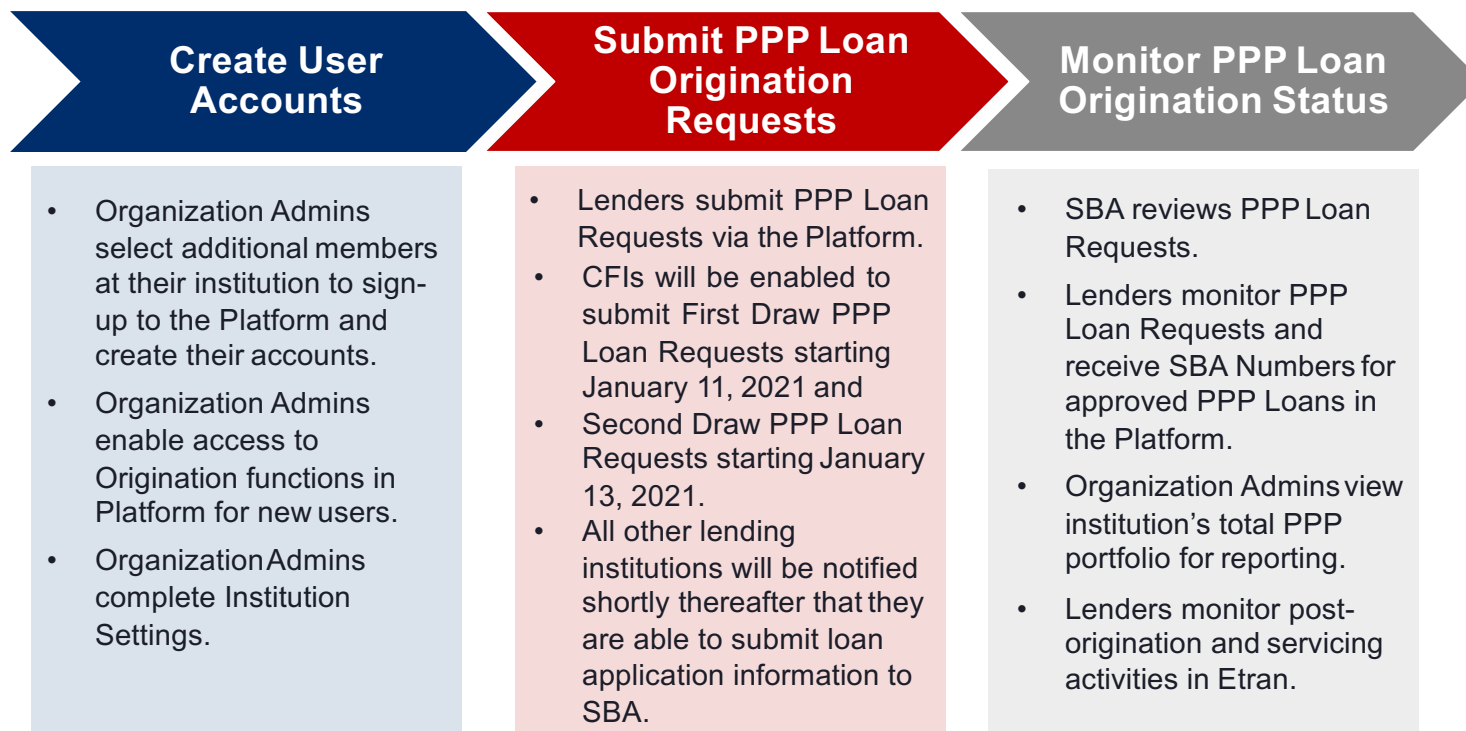
This is the same Platform that supports the Forgiveness decision process.

- The Platform supports two methods of submission for all PPP loan requests:
  1. Lenders **manually** (web-screen method) enter and submit loan requests in the Platform.
  2. Lenders or LSPs providers **connect via API** and submit the lenders loan requests.



- Use of **MS Edge** or **Google Chrome** browsers is recommended for an optimal experience.
- Complete information on APIs can be found at <https://ussbappp.github.io/index.html>

# PPP Origination –PPP Loan Request Process



Information Current as of 1/10/21 – Visit [www.sba.gov/ppp](https://www.sba.gov/ppp) for the most up-to-date information.