

SBA Debt Relief Program – For Existing SBA Borrowers

The stimulus includes \$17 billion in funding for a provision to provide immediate relief to small businesses with standard SBA 7(a), 504, or microloans. Under this provision, SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out a SBA loan within six months after the President signs the bill.

The measure also encourages banks to provide further relief to small business borrowers by allowing them to extend the duration of existing loans beyond existing limits; and enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements. While SBA borrowers are receiving the six months debt relief, they may apply for a PPP loan that provides capital to keep their employees on the job. The six months of SBA payment relief may not be applied to payments on PPP loans.