



3/31 Telephone Town Hall Transcript

Lauren Bloom:

Good evening and welcome to Congresswoman Porter's telephone town hall which will provide updates on the Coronavirus outbreak and what laws Congress has passed to help. My name is Lauren Bloom. I'm Congresswoman Porter's district director. I will be your host for tonight. So before we get started, please write down the following number in case you're disconnected from the call and want to rejoin. It is (855) 962-1016. If you would like to ask a call to ask a question this evening, it's very easy. Just press star three on your phone. And one of our staff will ask your name, zip code and question. If you're connected through the Vekeo online streaming format, you may ask a question directly through that link.

Lauren Bloom:

We are expecting a number of calls this evening and we'd like to get through as many of your questions as possible. In order to do this, we kindly request that if your question is chosen to please ask your question as briefly as possible when you're live on the event. We ask you to limit your question to 15 seconds in order for us to get through as many calls as possible. It is now my pleasure to introduce Congresswoman Porter. She continues to lead the charge in holding this administration accountable in keeping our Orange County family safe. Congresswoman Porter.

Congresswoman Porter:

Thank you so much Lauren and thank you to everyone for taking time tonight to come and join together as a virtual community for this telephone town hall. We gather tonight during what is obviously a troubling and uncertain time for our community, for our state, for the nation and frankly for the world. So I just want to start by saying thank you for your engagement. And our office, this is going to be again one of many outreach and education programs that we'll be putting on. So please let us know what questions and things don't get answered. We will keep track of all your questions so we can follow up. I wanted to start by just giving a brief overview of kind of what Congress has done with regard to Coronavirus to date.

Congresswoman Porter:

So several weeks ago, we passed the Coronavirus Preparedness and Response Supplemental Appropriations Act. And so that was \$8.3 billion to frontline public health agencies and state governments for NIH, for CDC, for those resources. Then in early March, we passed the family's, sorry March 14th, we passed the family's first Coronavirus response Act. And one of the major things that this bill did was expand sick leave and paid family leave, trying to help people who needed to stay home if they were sick or care for a sick family member. On Friday, the House passed and then was signed into law over the weekend by president Trump, the Coronavirus Aid, Relief, and Economic Security Act. The acronym is CARES, C-A-R-E-S, the cares Act. And this was truly a bipartisan deal by Cameroninaudible 00:03:18] with the Senate and the House working closely together. And then in terms of Congress working very closely with The White House to come up with something that could be signed into law immediately to get help to people now.

Congresswoman Porter:

And I want to let you know that that is the number one thing that I'm hearing from members of our community, our small business community, families, our faith community, our hospital's providers is that they need help now. And so that's why I was calling for immediate action weeks ago. I know that you all have bills that are coming due, particularly with the first of the month coming tomorrow. And that you're concerned about how you're going to make ends meet. How are you going to continue to run your businesses? How are you going to continue to care for your families? This CARES Act is not



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perfect. I'd be happy to talk about some of the things in it that I think could have been stronger and that we need to still work on. But there are some really important pieces to it for our community.

Congresswoman Porter:

For quick top lines, it includes \$350 billion for small businesses. And I'm thrilled to be joined tonight by folks from our community who I will be introducing in a moment, who will help us answer questions about what this bill does for small business, that really incredible action, unprecedented help for small businesses. It also provides \$150 billion for frontline providers, public health systems, hospitals, billions of dollars for the government to purchase that personal protective equipment that we need. It also provides \$45 billion in FEMA grants, FEMA funding, excuse me, and resources for state and local government. So really important to be getting those resources down to the level at the local level, at the hospital level, at the public health level where this work is being done. I've been really proud of what I've heard and seen from our community in terms of the things that health care workers are doing, our healthcare community.

Congresswoman Porter:

I'm also really proud of the businesses in our community that have stepped up to meet the challenges for our medical device manufacturers to small pharmaceutical companies, to UC Irvine, to the Irvine Company. I've heard from clothing companies in our area that are making masks. A company that is working to connect people with EIDL 3D printers to produce FDA certified personal protective equipment. So this diversity in innovation and in our workforce, it's one of the reasons I'm so proud to represent this district. And it's a reason I will keep fighting for you every single day.

Congresswoman Porter:

I know families are also hurting and the bill does provide for help and it will be coming soon. So two key things to fly here. One, if you have lost your job or been laid off, the bill provides for an additional \$600 per week in existing unemployment benefits and it expands the term of unemployment. So you'll get unemployment for a longer and you'll get more money bringing you closer to hopefully being able to cover your expenses. It also provides for cash payments, \$1,200 for an adult who's making less, it was an adjusted gross income of under \$75,000 and \$500 per child, the \$1,200 doubles for married couples.

Congresswoman Porter:

One of the concerns that I have is that the \$75,000 limit, the \$150,000 limit for a household in a high cost of living area like this may not be sufficient. People will have the cash assistance phase out and the \$1,200 won't cover the cost of a typical apartment of course in our area. The idea is that the unemployment benefits can work side by side hopefully with the cash assistance which will be administered by the Internal Revenue Service. Just real quickly, a couple of key things that we need to continue to do, the work is not done and I'm continuing to work every day. I'm here in Orange County but I'm connected virtually with my colleagues every day, multiple calls. We need to do better to level the playing field between small businesses and big businesses. And I'm happy to talk about that.

Congresswoman Porter:

The government should be putting small businesses in better position than they are the nation's largest corporations. And that has not been the case. Although there is a lot of good relief here for small businesses. Another thing I'm focusing on is although the bill provided 150 billion for providers,



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it did not provide help in covering the cost of treatment to patients. And that is always important because we have people who are uninsured, who are underinsured, who have high deductible plans. But it's even more important right now because we have people who have lost their jobs and therefore lost their health insurance.

Congresswoman Porter:

So we need to do more for patients in the upcoming bill. And we also need OSHA issue regulations on how front line workers should be covered, protected, excuse me, those essential workers who are on the job every day. Obviously the healthcare workers but also the people who are sanitizing workplaces, the people who are working in grocery stores, pharmacies, delivery drivers, postal employees. We need to know what the appropriate workplace protections are for those people so that they can be protected as they continue to help all of us during this time.

Congresswoman Porter:

There's a lot more of this legislation to discuss. It's a big bill with a lot of different components. But I want to make sure that we have time to hear from our guests tonight. So I'm really thrilled to welcome Christopher Lorenzani, the Small Business Administration's deputy district director to give us some information on what is available for small businesses. Christopher.

Christopher Lorenzani:

Congresswoman Porter. I want to thank you for the opportunity to join you tonight in sharing important information with small business owners in our region. The first thing I'd like to convey is that the local SBA district office is completely open and operational. We are helping the public. I will tell everybody right now we're fielding about 250 calls per day. Later on in the call, I'll share my contact information with the audience and I'm happy to follow up with any questions that they might have at the end.

Christopher Lorenzani:

I'm going to focus my opening remarks on three key SBA emergency capital programs. As you mentioned Congresswoman, with the CARES Act just being passed on Friday, SBA has been working feverishly around the clock to develop SLPs and other guidelines for many of the programs especially the P3 or the Paycheck Protection Program which I'll touch on in just a moment. More information is coming. So I wanted to preface what I'm about to say with that.

Christopher Lorenzani:

So the first two emergency capital programs I'm going to touch on are the Economic Injury Disaster Loan, or the EIDL and a component of that which we are calling the EIDL Loan Advance. So the EIDL program is a low interest long-term economic injury loans for up to \$2 million. The first payment will be deferred for 12 months. The application has been simplified over this past weekend and can be completed 100% online through the improved web portal. The web portal for businesses and nonprofits to apply is that sba.gov/disaster. Some of the terms are 3.75% for business owners and 2.75% for eligible private nonprofits. The terms go either 15 or 30 years.

Christopher Lorenzani:

Now, a new component because of the CARES Act for the disaster program is the loan advance for up to \$10,000. The form to apply is part of the overall Economic Injury Disaster Loan application. So you'll find a box within the loan application portal that will ask you if you want to be considered for an advanced loan. This loan advance will provide economic relief to businesses that are currently



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experiencing a loss of revenue. Funds will be made available within three days of a successful application. And through this loan advance, if approved the funds can be used for payroll and other operating expenses and will be forgiven, which means they do not have to be repaid. So I just want to note that it's the loan advance that does not have to be repaid and that will be up to \$10,000.

Christopher Lorenzano:

The second program that I touched on earlier, well, it's the third component of what I want to talk about. It's the Paycheck Protection Program or it's sometimes known as PPP or P3. This is a new loan program being developed because of the passage of the CARES Act designed to provide a direct incentive for small businesses and other organizations to keep their employees on the payroll. So the bottom line is if you maintain your workforce, the SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll and certain other expenses like rent, mortgage interest for utilities following loan origination. This program will be available through June 30th of 2020.

Christopher Lorenzano:

And let me just finish these opening points with a few bullet points here, eligible recipients will qualify for a loan of up to \$10 million determined by eight weeks of prior average payroll plus an additional 25% of that amount. Again, the loan payments for this loan program will be deferred for six months. All loans under this program will have the same following identical features, an interest rate of half a percent, a maturity of two years. The loan will be 100% guaranteed by the SBA to the lender. And there will be no collateral, no personal guarantee and no other borrower or lender fees payable to the SBA. And with that, I'll just stop my opening remarks. And I've got a few other things that I'll share throughout the call. Thank you.

Congresswoman Porter:

Wonderful. Thank you so much Christopher. And we'll be working as he mentioned to continue to put this information into formats where you can have it written down and be able to refer to it. It's now my pleasure to introduce a wonderful member of our local Orange County community, Mike Daniel. He is the regional director of our Small Business Development Center. And he's going to provide an update on what this... So he'll introduce what the Small Business Development Center is. And then talk a little bit about how it can help you navigate during this time. Mike.

Mike Daniel:

Thank you so much Congressman Porter. And thank you for everybody that's on the call. And so I know that what you just heard was a lot of information about a lot of different loans and a lot of different programs that might be available to you. So the Small Business Development Center, we are a federally funded program through Congress and we partner and go through the SBA or the Small Business Administration. So we are located at Cal state Fullerton and my office happens to be right next to the Irvine Spectrum. And what we provide is one-on-one consulting and training to get you through all of these steps and to help you with all of these different things.

Mike Daniel:

And so there's about 100 consultants in our office. We are all business owners ourselves here to help you through the exact same issues that you're facing right now. So I just wanted to quickly go through just a couple of things. As we're preparing for probably week three of some of you being closed, some of you being a lot slower than what you're used to, I want to talk about your lease that



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you currently have if you have one. Have you gone to your landlord, written them a letter ask for either an abatement to that lease, or have you asked for a deferment so that you can try to hold cash in your hand? Right? We need to survive these next couple of months.

Mike Daniel:

We don't know when we're going to be open again if you're closed and you don't know when business is going to pick up again. So you need to conserve as much cash as possible. So asking for a deferment or asking for an abatement from your landlord is critical right now. If you currently have a loan, you need to go to your lender and you need to ask them for a deferment. Most lenders are giving a 90 day deferment without anything else, just a call. But you have to call in order to put that into effect. The next thing is your insurance. So check your insurance policy and call your insurance agent and see if you have business income or business interruption insurance. It's supposed to cover a government shutdown or any type of virus that's been affected now.

Mike Daniel:

My insurance company is, well, I don't need to say what insurance company it is. But I called my insurance company. I have business income and interruption insurance. And so they said that, "Yes, it's supposed to be covered but because it's a pandemic, it doesn't cover anything." My suggestion to you, we pushed this all the way up to the point state and the insurance commissioner to begin to do some due diligence and figure out what they should cover and what they shouldn't. But if you don't put it in a claim, you're not going to qualify for anything. So at least put in a claim, even if it doesn't go anywhere today, it might go somewhere further down the line.

Mike Daniel:

And then lastly is your employees. So how are you taking care of your employees? And are you able to continue to cover their payroll or do you need to send them to unemployment insurance or understand the difference between paid sick leave, unemployment insurance and some of these new things that are coming out. That's where we sit. So you give us a call. We will help you through this one-on-one customized to what your need is. So our email address is ociesmallbusiness.org. Again, ociesmallbusiness.org. Or we have an 800 number it's 1-800-616-7232 And we're averaging between 500 and 1000 calls a day. But we will get you to a life consultant the day that you call us.

Mike Daniel:

And just so you're aware if you go to our site or you call our number, we are putting on seminars every day at three o'clock to discuss all of these different disaster loan programs that are coming out and we're going through what each one is. And then we're also showing you the forms. We're having people fill it out. So that goes for if you just need help one-on-one as well. Give us a call, find us online and we'll schedule an appointment or just call us and we'll call you right back. And we will help him to these forms of one-on-one at no cost. It's already been covered by the federal government, by the state of California, Cal state Fullerton, the SBA. So all I can suggest is give us a call. We've gone through all these forms, we're doing this for our own businesses and we will help direct you to the right program for what your needs are. So thank you.

Congresswoman Porter:

Mike. Thank you. This is Congressman Porter. Thank you so much for what you're doing, I mean for providing those services. I just want to provide two really quick follow on comments. One is part of the reason that we wanted to bring together these resources, both Christopher and Mike and now



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we're going to hear from Rubin is it's very important that you watch out for scams. We are hearing reports about people charging people to apply for SBA loans, to help them navigate this process. There is free help available. The second point I wanted to make is just echo what Mike said about the importance of reaching out to your insurer, to your lender, whether you run a small business or whether you're an individual, reach out to your mortgage company, your landlord, there's a lot of additional help available. And the governor as well at the federal level, our governor has done a great job getting help. And so those are really, really important points.

Congresswoman Porter:

And then finally, just quickly, Mike, just so you know, I joined with Congressman Mike Thompson up from Northern California in writing a letter to insurance commissioner here in California, pressing him to take action against these insurance companies that are denying these claims. They should be covering them in our view for business interruption. So we're following up on that as a federal level, bringing that pressure hopefully to our state insurance commissioner to help businesses. But as you pointed out, you've got to start by making that call to your insurer. I now want to introduce Reuben Franco. Reuben is the CEO of the Orange County Hispanic Chamber of Commerce and the director at the Small Business Development Center. We would love to have you provide some additional information and insights that you have about what small business owners can be doing in this moment.

Ruben Franco:

Thank you, Congresswoman Porter. And thank you everyone who's on the call today. Yeah. Right now, most of our businesses are obviously in survival mode and we're trying to get them through that, gets them to survive even to the next phase, hopefully to recovery. But the bill that was signed into law on Friday is a great start to what we're doing, the streamlined process that the SBA has done has been fantastic. So that's another good way. And then we're just getting more information on the PPP loan so that we can help roll that out as well with all our lenders, that's going to be the direct loan with our lenders. So we're trying to help as many people as we can.

Ruben Franco:

Like Mike said, there are daily webinars that are going on that will help you with this information. Our consultants have all been converted to help out with all the loan products so that they're able to help answer those. And then we have like a three-part assessment process, the first assessing your business needs. Because tomorrow's April 1st, you're going to have to decide, am I going to continue to keep my people on payroll? Am I going to pay my rent? What am I going to have to do to continue to survive? What's my 30 day, my 60 day, my 90 day type of plan going forward as a business. Our SBDC consultants can help you with that. They'll first assess your business and those needs.

Ruben Franco:

Second, they'll help you with any type of capital or funding that you may need and be able to go over the loan programs whether it's disaster loan or the PPP program. And like Mike said, get with your lender now if you currently already have a loan, go talk to them about deferring. Most of them are kind of deferring it already, payment right now. But get on top of that with everybody as well. And then the third thing is how do you take care of your employees? With the EDD and making sure you have all the information you need for your employees to make sure that they're taken care of because like Congresswoman Porter said earlier, small business is kind of the driver of this country. They employ over 60 million people in the country. That's over half the workforce and we need to protect our small businesses out there. So we're going to continue to do that by providing whatever



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resources we can. And thank you for all your leadership in that. So please reach out to us if you need help with your business.

Congresswoman Porter:

Thank you. Thank you so much Reuben. That's incredibly helpful. And before I turn it over to Lauren, we'll take some audience questions. I wanted to ask a question that I've been getting. This was probably the single most common question I've been getting directly from small business owners, which is, what about if I laid my workers off March 1st or March 15th, some are March 20th, at some point after the governor's order here in California, what if I laid those workers off because the governor ordered all business closed down. Can I still apply for the Payment Protection Program to fund payroll? Mike, are you able to respond to that for me?

Mike Daniel:

Yeah. Absolutely. And the way it's currently written in the Senate bill and keep in mind, they're still making changes to the standard operating procedure. So we won't know the full details just yet. But the way it's written in the Senate bill is, it's an average over the last 12 months. And then they divide it and they get a monthly average and then they multiply times 2.5. And that's the amount that you qualify for, for the PPP loans. And like I said, just keep in mind that might change come Friday, I think is when they're going to push everything out. But currently that's the way it's written into the bill.

Congresswoman Porter:

Even if you've let workers go, you could get this program be able to hire your workers back or continue to pay them during this interruption.

Mike Daniel:

Right.

Congresswoman Porter:

Lauren, are you ready for some audience questions?

Lauren Bloom:

I absolutely am. So the first question that we had is from William. It's from our online portal. And the question is small nonprofit organizations, are they eligible for loans and grants?

Congresswoman Porter:

This is Congressman Porter. The short answer to this is yes. If you have a 501(c)(3) nonprofit, and it has 500 employees or fewer and then you are going to be eligible. So if it's a small church or museum, there are some limitations around the nonprofits but generally you are going to be eligible for that payment protection program. And so you should definitely be reaching out and be trying to get help. Mike or Christopher, would you like to say more about nonprofits and their options?

Mike Daniel:

Yeah. If I could just add, the Economic Injury Disaster Loans, also you can be a 501(c)(3) and qualify for that as well. And if I could just add just a little bit between the differences between the two programs, the Economic Injury Disaster Loan goes up to \$2 million and the form is pretty straightforward. It takes about 15 minutes to fill out the initial piece of that. And as Christopher had



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alluded to, there's a \$10,000 advance that they will give you. We've heard back and forth that some of them might be forgiven. Some of it might not. We're not sure where that lands. But you get that quickly. And the loan itself is 3.75 spread over 30 years. So let me just kind of give you what that means. So if you were able to borrow \$25,000 at 3.75%, over 30 years, that's \$116 a month. If you're able to qualify to borrow \$100,000 dollars for 30 years at 3.75, it's \$463 a month.

Mike Daniel:

So it's a long term loan meant to pay for your fixed expenses like your rent, your mortgage interest, your payroll, different things like that just to get you to survive. And then hopefully, I mean, I don't expect, let's just assume we can all go back to work June 1st and business opens. I don't expect the economy just to rebound that day. So we might not have... Like traditionally in my businesses, I own chocolate and candy stores. Summer is our best months. I'm not expecting that this year. It's going to take us a while to rebound. So that's really meant for longer term.

Mike Daniel:

The PPP program is really meant for payroll. So it's one month of payroll and it's meant to cover... So once you get the loan, that's when the forgiveness starts. So that eight weeks from the time you get the loan up to June 30th, you take eight weeks and you take what you've spent on payroll for those eight weeks, what you spent on your rent or your mortgage interest and your utilities. And you give those back to the lender and that's what's forgiven. But most of that is going to go to payroll. And there's some caveats as far as what's forgiven, based on the amount of payroll that you have. So you need to kind of have somewhat similar payroll as you had over the 12 month average.

Lauren Bloom:

Wonderful. Thank you so much.

Congresswoman Porter:

And thank you so much. And there is some loan forgiveness option available for some of that. So it's really important to work through the details of that. I think this is only the second time in history perhaps that Congress has authorized this loan forgiveness. It's extremely rare that Congress does this. And so it's a very useful potential kind of help.

Lauren Bloom:

Thank you Congresswoman. The next question is from Amira 00:27:08, she asks what provisions were made for sole proprietors and gig workers, et cetera. Are there any actual grants versus loans available and how can they be accessed?

Congresswoman Porter:

I'll take the first part which is just about unemployment. Which is if you're a gig worker or a sole proprietor and you cease to have employment, you're not getting assignments or jobs, you are eligible for unemployment insurance. And so you apply through the state of California for that. And that was a major change that we made in the CARES Act. Would one of you gentlemen like to take the question about small business and sole proprietors?

Christopher Lorenzano:



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So congresswoman, this is Christopher with the SBA. I think the bottom line recommendation that we're making is sort of if in doubt, apply, especially for the Economic Injury Disaster Loans. So the answer that I'm hearing from our disaster office is, absolutely. So folks that are participating in the gig economy, sole proprietors, if you can describe yourself as a business owner, even if you're running a business with no employees, you're absolutely eligible for these various emergency loan programs. Like I'm telling people that call us, apply.

Christopher Lorenzano:

If the SBA makes an offer for a certain amount of funding and you don't need that amount, you can always decline. You can always have a discussion with the disaster office and we can make adjustments to the amount of funding. But the bottom line is if you don't apply, you're obviously not going to get any sort of funding. And if you don't apply for the Economic Injury Disaster Loan and check that box within the portal that you want to be considered for the advanced loan that can be forgiven, that portion of the \$10,000, you're definitely not getting that funding. So it's very important that people apply for the EIDL loan.

Mike Daniel:

Absolutely. If I could just add a little bit to that as well. The difference with the EIDL loan or the Economic Injury Disaster Loan, is it also lets you project out up to a year. So you really need to kind of think through. Maybe your business was operating at 100% coming to March of 2020, well, what is it going to be all through this year? Is it going to be a 40% hit, a 50% decline in sales? So you can average that out and they will lend you money up to that full year amount. And keep in mind for that loan, it goes directly to the SBA. This does not go through a lender.

Mike Daniel:

So you're getting money directly from the SBA. And they're the ones that determine how much you get. So there's nowhere for you to actually put, this is how much I need. You show them kind of where you're at your sales over the last couple of years. And even if you've just started your business, you still can apply for this loan because you might not be affected yet, but you could be affected from sales moving on into the future. So that's what they want to see so they can determine how much money that you might qualify for.

Christopher Lorenzano:

Yeah. And just another detail there. I believe it's two years. So the borrower that receives an Economic Injury Disaster Loan, two years after the date of the approval of the original loan, they can go back to the SBA and request more funding for exactly that scenario that Mike just described, where you might be five or six months down the line and realize I need more funding. You can go back to the SBA and request more.

Congresswoman Porter:

The next question.

Lauren Bloom:

That's great. I'm going to have Greg from Newport beach ask his question. It's about employees. Greg You should be live in a minute. Greg you should believe.

Greg:



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Yes, my question is if you...

Lauren Bloom:

Yes. Go ahead.

Greg:

Sorry. If you laid off two employees and you need to rehire them so that you get your PPP loan forgiveness, do you have to rehire those exact two employees or can it be any two employees to get the salary you hired to different employees. Because what if they don't want their job back?

Mike Daniel:

Yeah. Absolutely.

Lauren Bloom:

[crosstalk 00:31:41].

Mike Daniel:

Sorry. It doesn't have to be the same employees. It's really based on dollar amount. And like I said, they're still coming up with the exact policies and procedures for it. But the way it's currently written in the Senate bill is if you're at 100% once you take over, you'll get the full forgiveness of whatever it is. There's another caveat to that that says, "As long as you are at full payroll dollar amount by the end of June 30th, then it's forgiven as well." So maybe you don't have the payroll to support it for those eight weeks. Because for a lot of us, we might not be open. Your doors might mandatorily be closed by the government. So as long as you're up and running by June 30th.

Mike Daniel:

Now, if you're not and you don't have that full payroll. They're going to take away some of the forgiveness, but you'll still be eligible for some of it as well. And just real quick, just give you the differences of the two loans. Again, the EIDL goes directly through the SBA. This new PPP is going to go through all SBA certified lenders. So it's going to go through all the traditional banks that you know of that are in your area, right? All the big banks like Wells Fargo, Union. I don't want to really highlight anyone specific. I'm just trying to give you like the big lenders. And then there's going to be hundreds of other lenders that will all be able to push this loan out through their own service. So the PPP loan goes through traditional lenders and the EIDL goes directly to the SBA.

Lauren Bloom:

Great. Thank you so much. I'm going to ask Robert to ask his question. It's on the EIDL portion of the program. Robert, you should be live in just a second.

Robert:

Alright.

Lauren Bloom:

Go ahead Robert. Ask the question.



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Robert:

Okay. I filled out the forms on the SBA website this morning under the EIDL portion of the CARE Act. And I would like to know when that first 10,000 and relief will be deposited into my business checking account. Thank you very much.

Lauren Bloom:

Thank you.

Christopher Lorenzano:

So hi, this is Christopher. [crosstalk 00:33:44].

Congresswoman Porter:

Yeah. Go ahead Christopher.

Christopher Lorenzano:

I was just going to say that from everything that I've heard here and certainly with an SBA with the new streamlined portal that launched yesterday morning, after the decision is made within three days for a business or a nonprofit to receive that advanced portion of the EIDL loan.

Congresswoman Porter:

Yeah. So I just want to echo what Christopher said that there really wasn't emphasis by Congress put on speed. We know that people really need this money now to avoid even more calamity losing their leases, things to their credit report, all of those things. So SBA really is working extremely hard. So once your loan is approved, they should be dispersing that emergency advance, that \$10,000. And it's important as Mike said to have a good business plan in place for how you're going to use that money planning forward. This is an uncertain situation but this is a good moment to really be having a strong business plan for how you're going to make use of that money.

Lauren Bloom:

Thank you so much Congresswoman. And next question is a very general question and it's from our portal, it's from Mo. And he asked, where do we go for a SBA loan ?

Congresswoman Porter:

So again... Go ahead.

Christopher Lorenzano:

Congresswoman go right ahead.

Congresswoman Porter:

So I was just going to say again, it depends on which program that you are applying for. And so there are some helpful charts of information that help you. And we'll be putting these things up on our website and you can call Mike Daniel, call the Small Business Development Center and they'll help walk you through the choices. But if it's a EIDL loan that is Economic Injury Disaster Loan, that's direct. You apply directly with the SBA. If you're applying for the payment protection program, that is the loan that can help you keep people on payroll or meet other necessary kinds of expenses like rent,



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utilities, payment interest on your mortgage, those kinds of things. Those are through the SBA approved private lenders.

Congresswoman Porter:

And I have been talking with some of our local lending institutions and local branches of our national lending institutions and they are working with SBA and they're hoping to be able to start receiving and processing those loans towards the very end of this week or early next week Christopher or Mike or Reuben if you have any clarification on that. But it really does depend on how you're going to apply, is going to depend on which program you're trying to take advantage of.

Mike Daniel:

Yeah. Absolutely. And like the Congresswoman said, we'll help you through the SBA portal. My suggestion if you're applying for the EIDL loan is to fill it out on the portal. Don't put in a paper format and send it to Texas. I think it will go much faster if you're able to just put it directly into the portal and we will walk you through it together. I've helped a couple of dozen people today. It takes about 15 minutes if you have your document. So that's a really straightforward piece.

Mike Daniel:

As far as the PPP program, if you already have a lender and a bank that you use often, you're probably going to get some information from them because they're already pushing this out. If you don't know where to go, you can contact us, we will help you figure it out. Because I think you're going to see hundreds of lenders jump into this. And so most of them are going to have the same... I mean, the program is very scripted so they have to follow the same pattern. But I think you're going to probably find the best success with where you are, you bank at.

Congresswoman Porter:

This is Congressman Porter's, just echoing that. Most businesses already have loans that they're trying to deal with. So begin reaching out to those lenders asking for a forbearance and help so that when you do receive your economic disaster loan, you've gotten yourself in as good a position as you can.

Christopher Lorenzano:

Hi this is Christopher from SBA. So those are absolutely right on point responses from the Congresswoman and from Mike. I think this is a good spot for me to emphasize that for the Economic Injury Disaster Loan, the only place that you can apply for that is directly on the SBA website. This is going back to the congressman's point about scams. We're hearing of numerous business owners that are being approached by other businesses purporting to help them and they're leading them to other websites that sba.help, not sba.gov or they're charging exorbitant fees like four or \$500 to walk them through the loan application. And as Mike said, a business owner can complete this application for the disaster loan in about 15 to 20 minutes. If you do need help, that's what the district office and the SBDC are here for.

Christopher Lorenzano:

There's massive outreach that needs to take place in a big call to action for all of the lenders throughout the country to participate in the PPP loan. So there are different tiers within SBA that we're handling. If you're an existing preferred lender within the SBA program, you're already part of our PLP program. You're going to be given the green light immediately as soon as the program is



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launched probably this Friday to make those loans. If you are an SBA lender but have not been very active, you're going to request from SBA to turn on that switch, to allow you to make those loans.

Christopher Lorenzano:

If you're not involved in the SBA lending program at all as a lender but you want to make these PPP loans, then there's going to be a quick process to get basically certified or whatever we want to call it, trained up, and then you'll be able to make those loans. So if you're connecting as a business owner with lenders and they currently are not participating, the call to action is to get them on board with the program. And then just my final point on this sort of note is that there is also SBA debt relief for existing 7(a) loans. So let me read these two quick points.

Christopher Lorenzano:

The SBA debt relief program will provide a reprieve to small businesses as they overcome the challenges created by this crisis. Under this program, the SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020. And the SBA will pay the principal interest of current 7(a) loans for a period of six months.

Congresswoman Porter:

Great. Lauren, do you want to go to the next question?

Lauren Bloom:

Yes. Absolutely. So this question is regarding the application itself, Steven, I'm going to make you live for you to ask your question.

Steven:

Yes. Hello.

Lauren Bloom:

Hi Steven, you can ask your question.

Steven:

Great. Thank you so much representative Porter. We're so grateful for you. My name is Steven, electrical contractor here in Orange County. We have offices in Huntington Beach and Irvine. And my question regards to the \$10,000 grant. What is the approval process or threshold if you will, for cost of goods sold. In applying for that, given my rudimentary understanding of what cost of goods sold stand for, I realized that I did not include labor in my figure that I submitted last night, thinking that, okay, cost of goods sold is just my materials and my permit and things like that. And so I'm a little bit concerned now having already submitted my application or that initial SBA Disaster Loan Assistance that I might not qualify.

Steven:

So can you tell us how that might be determined and also how might we also show an impact, negative impact on our business when it comes to applying for the Paycheck Protection Program? Because here as an electrical contractor, I have two electricians or technicians who have already applied for unemployment, even though we're an essential business because business has slowed down and because of illnesses and other concerns, right? However, I pick up the slack and I still do



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work out there. So while revenue has fallen, I am still operating. So I am concerned that I might be unfairly disqualified from these programs.

Mike Daniel:

Yeah. If you guys don't mind I can [crosstalk 00:42:59]. Yeah. You've covered a lot. So let me, let me try to hit a couple of things. And I apologize if I missed a couple. First of all, you qualify for both pieces to this. Figuring out cost of goods, we can definitely help you sit down one on one and kind of figure that out but for a service based business, you're absolutely right. If you didn't quite get it right, I was helping somebody earlier today that had in their service and they didn't understand that the people that they pay are the service itself. And that's the cost of goods. A couple of ways you could go about it, you could fill out another form and do it.

Mike Daniel:

My suggestion to you would be to wait until you hear back from the disaster assistance team. And they'll contact you. And then you'll be able to have that dialogue. But in this interim, before that happens give me a call and I will help you figure out what your true cost of goods are, just so that you're more prepared for that. And there's going to be other documents. The way the EIDL loan works, there's just a couple of things that you fill out at the beginning but then there's forms that you're going to need and I'm going to just list them. And I apologize for listing them. But I do have the links to all of them that I can send to you guys.

Mike Daniel:

But it's a 413 which is going to talk about your assets and your liabilities. And you need to fill that in. And it's for anybody that has more than 20% ownership in the business. You're going to need a 2202, which is a schedule of your liabilities. So it's everybody that you owe money to or all your payables. And then there's a 1368 that's going to be your sales over the last three years. And if you haven't been open for three years, that's okay. If you've only been on for a month, you're just going to fill in the sales up to the last three years or a shorter timeframe if you haven't been open that long. And then on the second page to that is going to ask you for your fixed expenses. Like how much do you pay for rent or like for your automobiles Steven, probably come through the business if people are driving out, that could be a part of it, or utilities, things like that, that you can fill out.

Mike Daniel:

But my suggestion is don't worry about it at this moment. The disaster team is going to talk to you personally where you can have that conversation. But let's fill out the forms so that they're accurate. So that way when they do contact you, you know the exact numbers to some of these things. And just a little bit more on the EIDL, I know a lot of people filed an extension for their 2019s that has been granted to everybody. So it's okay. If you filed an extension on your 2019 taxes, they can do an interim P and L. So we want to get that prepared as well.

Mike Daniel:

And if you don't know your cost of goods for 2019 and you look at your corporate returns from 2018, that's okay to take those as well. It's going to take your sales and your cost of goods or what's on the initial application for the EIDL. So you can grab it from your 2018 returns as well. But Steven my suggestion is, don't worry, take a deep breath. You're doing everything that you should be doing and let us help you kind of figure out all the rest of the things as you move forward. But they will give you



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an opportunity to talk through it. I probably missed a couple of things in there but I think I covered some of it at least. Hopefully.

Lauren Bloom:

Thank you so much. And our time has gone so quickly that I'm actually going to have to take the very last call. So the last call I'm taking in question is from Brenda. Brenda, you should be live very shortly.

Brenda:

Yes. Hello.

Lauren:

Hi, Brenda.

Brenda:

Yes. My question was [inaudible 00:46:16]. Are we supposed to now go out with masks on serious now or...

Congresswoman Porter:

Okay. So Brenda, your question is about the use of masks. So at this time, as of tonight, there has not been any guidance from the local, that is the County or the state or the national, the CDC or even the World Health Organization that everybody should be wearing a mask. Part of that guidance may change. We were told today that they are evaluating whether or not that they should recommend that. One of the concerns we have is we're trying to make sure that those who are highest risk have masks, that is our healthcare workers, people who are providing direct care, who work in the healthcare setting, people who are immunocompromised. It's the most important that they get masked. So at this point, they're not recommending a mask.

Congresswoman Porter:

If you have a mask, you obviously can wear it. And particularly if you are feeling sick, you have any kind of cough or any kind of sneeze. But the primary purpose of the mask is to make sure the person wearing the mask doesn't make others sick. It's not to prevent a healthy person from getting sick. Like I said though this guidance may be changing, we're learning more and more about the Coronavirus, about how it's transmitted and about the level of contagion that it causes. So my number one piece of advice to you and I cannot say this strongly enough is to stay home. Stay home.

Congresswoman Porter:

This is the time to go through your pantry and dig out that stuff that you can't understand why you bought that can of beans. That's what you're having for lunch tomorrow. So the more you can reduce the amount that you have to go out, the better. At this time though, the official guidance is that you do not need to wear a mask when you go out. If you have a mask, you of course can wear it. But we may see that guidance change in the upcoming days as things move forward.

Lauren Bloom:

Thank you so much Congresswoman. And I just wanted to highlight that we apologize that we couldn't get to everyone's questions this evening. So if you would like any sort of question answered, you are always free to call our office after this event at (949) 668-6600 and leave a voicemail stating



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your name, email address, zip code, and question. And we will provide you a response as soon as we can.

Congresswoman Porter:

And Lauren, if they have asked a question via the portal, we have captured those questions already, correct?

Lauren Bloom:

Yes. We have.

Congresswoman Porter:

Wonderful. So thank you everyone for your patience as my office works to get back to you. Our office is open but we are working remotely. And our staff have responded. Since I took office January 3rd, 2019, 15 months ago, we have responded to over 100,000 constituent inquiries. So I'm really proud of the hard work my staff is doing to get back to you. And thank you to all of you for your patience. Please again, if you need any help either with questions about the information we covered today. If we didn't get to your question, our office number again, (949) 668-6600. Please leave your name, your email address, your zip code and your questions. If you ever need help with a federal agency, we are here to help with that. Be it social security administration, veterans administration, anything like that.

Congresswoman Porter:

A final reminder here is that tomorrow, my kids are extremely excited about tomorrow because it is April fool's day. I am extremely excited about tomorrow because it is census day. Tomorrow is the official day that we're trying to remind everyone around the country to complete their census form. You can go online to do that. It's available in multiple languages. But please take a moment to be counted. That census data by the way is not just used for congressional apportionment or it's not just used for things. It's used for things like pandemic planning. It's used for things like how many resources we should put in the Small Business Development Center that Mike run.

Congresswoman Porter:

So it's really, really important that you complete that census. Please take time tomorrow. It takes less than 10 minutes to do. Please get online and complete your census and be counted here in Orange County. I just want to close by saying thank you so much to mister Lorenzani, to mister Daniel, to mister Franco for taking the time to join us tonight. And for all that you do each and every day to provide resources for small businesses in our community. I am really grateful for your expertise and for your time this evening. And thank you so much to everyone for participating and listening in tonight. We'll stay in conversation in the upcoming days. Please stay home and stay safe.