



Williams  
Financial  
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Corporation

Dear Valued Client,

Caution: As I eluded to in the first segment, this interpretation of the CARES Act is a fluid situation, at best. Based on subsequent articles, we are concerned that you may not be able to return unwanted Required Minimum Distributions (RMDs) that were received more than 60 days ago. I have contacted our top three custodians in order to get their interpretation because it is their interpretation that ultimately matters. We will let you know as soon as we hear back.

We are now on the fourth segment in our series of discussions regarding the CARES Act. This portion of the Act may be the most beneficial provided you are a business owner, which includes sole proprietors with no employees. While it may provide the most impactful remedy, it is also the most confusing and complex. The section of the CARES Act that focuses on the small businesses is called the Paycheck Protection Program (PPP).

The prequel to the PPP is the Economic Injury Disaster Loan Assistance (EIDL). This program was launched by the Small Business Administration (SBA) following the declaration of a national emergency to combat the Coronavirus (COVID-19). This program is for small business owners in all 50 states, Washington, D.C. and U.S territories. There is also an immediate grant of \$10,000, Emergency Economic Injury Grant. To access the advance, you must first apply for the EIDL and then request the grant, which does not need to be repaid.

The CARES Act was signed into law on March 27, 2020, by President Trump. The legislation includes the PPP which provides up to \$349 billion of federally guaranteed loans to qualifying small businesses. Loans up to \$10 million may be forgivable to qualifying small businesses. The funding for the EIDL is funded through the SBA and is currently available. The PPP loans are provided by commercial banks and the application process starts on Friday, April 3<sup>rd</sup>. EIDL loans can be refinanced by PPP loan proceeds.

I have attached several pieces of information, which includes the Coronavirus Emergency Loans Guide and Checklist from US Chamber of Commerce. I have included the link to the SBA, below.

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Finally, I need to provide the following disclaimer. I am far from an expert on SBA loans. I have never helped a client obtain an SBA loan. In the past, the SBA had a reputation of providing loans at adverse terms and conditions. However, I am planning to put my past inclinations toward the SBA aside and go through the application process, myself. I will gladly assist you if you decide to go through the process. I would also appreciate knowing your experience with the process. Please feel free to share this information with family members, friends, and associates.

Best regards,

Kevin

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