

# DELAWARE INSTITUTE FOR Excellence *in* Early Childhood

## **New Financial Relief Options for Early Childhood Education Programs**

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During the last couple of months, there have been many beneficial changes to assist small businesses, like early childhood education programs, looking for disaster assistance.

In the middle of June, the Paycheck Protection Program Flexibility Act (PPFPA) became law. The PPFPA improved flexibility when using the Paycheck Protection Program (PPP) funding and simplicity when applying for loan forgiveness. The covered period is extended to 24 weeks (or up to December 31, 2020). Additionally, up to 40 percent of loan proceeds can now be spent on non-payroll expenses, such as rent. For loans issued after June 5th, the payment term for the remaining balance was extended to five years.

The PPFPA also introduced new provisions that prevented a reduction in loan forgiveness for borrowers unable to re-hire furloughed individuals and were unable to return to the same level of business activity because of compliance with public health guidelines. In response to the PPFPA, the US Treasury released the Loan Forgiveness Application Form EZ and corresponding instructions. Please note that you have ten months after the end of the covered period to apply for forgiveness.

Also, in the middle of June, the Small Business Association (SBA) re-opened the Economic Injury Disaster Loan (EIDL) program to new applications ([sba.gov/disaster](https://sba.gov/disaster)). This program provides low-interest, long-term loans intended to support working capital. In comparison to the first application round, loan proceeds from this program are capped up to \$150,000, there is no longer a grant component, and the turnaround time for loan decisions is much faster.

Delaware Stars Technical Assistants have supported early childhood professionals in applying for and receiving funds through EIDL. For further information, check out this [blog](#) from Tom Copeland that addresses this option for early childhood education.

In early July, the deadline for the PPP was extended to August 8, 2020. However, some financial institutions have not re-opened applications. As a result, it is recommended to apply through alternatives such as Kabbage and Cross River Bank.

We understand that this is a lot of information to digest, and it can be overwhelming. There are resources to help. For additional disaster assistance support, please visit [www.delawaresbdc.org](https://www.delawaresbdc.org).