



All,

I have been getting emails from associations, vendors, other operators and sometimes I go look for myself. I wanted to try and bring as much of it together as I can and get it out to everyone. It is our hope that you will find resources here that will help you navigate this time.

Please remember that everyone's lives look different than they expected, everyone is struggling to understand what to make of this - be kind to each other, help where you can help and most importantly remember that this will pass and we will make it to the other side.

Kind Regards,

Aaron Green

[ICA](#)

www.carwash.org/sharing

[SCWA](#)

We will hold a 45-minute live webinar presented by Daniel N. Ramirez, partner at Monty & Ramirez LLP, discussing COVID-19 and employment issues this Friday, March 27th at 11:00 a.m. (central). You will be able to submit your questions during the presentation.

To register, please click on this

link: <https://attendee.gotowebinar.com/register/8372775953759512331>

A Letter From the SCWA:

Dallas County has issued a "Shelter in Place" order for residents also suggesting "non-essential" businesses should close. While Governor Abbott has not issued the same on the state level – we believe other local areas may follow the action of Dallas County.

SCWA believes that many car wash operations can be defined as "ESSENTIAL" business operations and remain operating/open.

March 19, Homeland Security issued a memorandum identified as “Automotive Repair & Maintenance Facilities” as having an essential critical infrastructure workforce. Car washing is often classified under NAICS code 8111 (Automotive Repair & Maintenance).

SCWA believes car washing operations provide a basic and sanitizing service that is essential to the health and safety. There is a continuing need for automotive owners to keep their vehicles clean and safe. Uber, Lyft and Taxi drivers have a continuing need to keep their vehicles clean and safe. People transporting the elderly; people assisting as volunteers or paid staff for non-profits offering essential services; people delivering goods and food need to maintain a safe environment.

It is important to note this may not include some non - essential services offered by car wash operations. It is also important to note your business should recognize the protocols of no gathering more than 10 people and social distancing standards. Basic wash and auto maintenance services and any interior and exterior sanitizing sprays and services are valuable to the general public.

In addition the National Governor’s Association has put together a succinct overview and charting of current information on the status of COVID-19 in the United States and abroad, including such topics as: the states and countries worldwide affected by the virus with running totals; state, federal, and territorial response efforts; and numerous resources for testing, preparedness, prevention, and workforce and labor relief. We hope you find this to be an informative and helpful tool as we all work together to navigate this evolving and uncharted territory.

National Governor's Association

Thanks; stay safe and please let us know if you have additional questions.

Chuck

WCA

Free Webinar: Families First Coronavirus Response Act: Employers’ New Paid Family and Sick Leave Obligations

Friday, March 27, 2020 10:00 AM https://zoom.us/webinar/register/WN_-Zqu8Y-IRUaRlaBvqnHTMw

TAXES

https://www.avalara.com/us/en/blog/2020/03/coronavirus-tax-relief-roundup.html?utm_campaign=CL_CL202003Service_COVID19_Return%20Custom_CL202003Service_COVID19_Return%20Custom_E-

BANKING

Banks

Nothing official on this yet, from what I am hearing and seeing call your bank. Some are deferring completely while most are moving to interest only. Call your bank.

SBA

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

First, I'd like to say what a privilege it is to work with you during this unprecedented time. Our efforts are making a difference to so many people and small businesses suffering economic injury from the Coronavirus pandemic. Their entrepreneurial spirit as well as your commitment to help is nothing short of inspiring.

Second, I want to apologize for any delays you or your clients have experienced in getting replies to your questions, finding information about the SBA disaster programs or accessing the SBA online portal to submit a disaster loan application. SBA is adding resources to help but in the interim please be patient if our system is slow – we're receiving thousands of applications. The disaster team encourages applicants to keep trying to submit their application and attach their documents – the system may be faster in off peak times and try a different browser as edge may work better than chrome and hit the save button often so data is captured in case the system kicks them out. All items marked with a red asterisk in the application form must be completed.

Online applications are strongly recommended even though applications can be mailed. Online submissions will get an application number assigned along with confirmation of application submission and they'll be able to sign into the system to get real time status updates on the application.

The disaster customer service team by last count is fielding 20,000 calls a day. They're the best source for information on the disaster loan program but I'm happy to assist you. I've generally been able to reply within 24 hours to email and (although I'm spending a significant portion of my day on the phone right now so it's likely you'll get my voice mail) I will do my best to reply as quickly as possible.

The following will address some of the most frequently asked questions that I've been receiving:

SBA disaster loans are made directly by SBA to the business (the applications and loan closing do not flow through the lenders as is the case with 7a loans).

If a business is unsure if they qualify for a disaster loan, they are encouraged to submit an application so an underwriter can review their specific situation.

The SBA has not disclosed a minimum credit score to qualify for economic injury disaster loans ("EIDL").

There is no cost to apply for a EIDL.

There is no prepayment penalty for EIDL.

Anticipated time for SBA to process an application is 3 weeks then it will take an additional week before funds are available to the borrower. Short term conventional loans that lenders make to help a small business through this interim period are eligible to be refinanced with SBA disaster loan proceeds (if their application is approved)

Disaster loan proceeds cannot be used to refinance long term debt. Proceeds may be used to make payments on fixed debt including payments on existing SBA 7a loans.

There is no loan amount field for the applicant to complete on the loan application (Form 5). The SBA underwriter will analyze the financial information submitted and calculate an amount for which the applicant may qualify. A primary computation is determined by taking the business's gross profit divided by two then multiplied by 6 months to estimate the amount of working capital needed to address the anticipated cashflow shortfall. The underwriter will contact the applicant to discuss their needs and the proposed loan amount based on their unique situation.

There's confusion over question 16 on the form 5 application. When it asks if you own 50% or more of another business – the question is asking if the business owns another business. Don't answer yes for the individual person's ownership in applying business.

SBA is waiving the requirement for applicants to submit tax returns with their application for these EIDL. The underwriter however may ask for the tax returns during their review.

An application will not be held up if the form 4506T (consent form to obtain IRS tax transcripts) is not initially submitted but loan proceeds will not be disbursed without a properly completed 4506T. The form should grant authority to obtain copies of the last three years tax returns. Make sure to show the proper name of the business – if the business files income tax form 1120 in their business name but completes the 4506T form authorizing a form 1120 in their personal name – the IRS will return the transcript as no record found which will delay loan closing.

If the amount of the initial disaster loan is not sufficient to support the business until the disaster abates, the business is able to apply for an increase to their disaster loan.

Private nonprofit organizations are eligible for EIDL but churches (any other religious organizations) are not eligible. Churches are eligible for physical damage disaster loans but not EIDL.

All EIDL will automatically include a loan payment deferral for the first payment on the EIDL will not be due for 12 months.

SBA has suspended the rule requiring real estate to be pledged as collateral for these EIDL. SBA will take a security interest in business assets.

Agricultural businesses are not eligible for EIDL. Farm service has a disaster loan program for ag businesses.

Owners of apartment buildings are eligible for EIDL for loss of rent income.

EIDL are subjective to a credit elsewhere test since the program involves federal tax

dollars. The credit elsewhere test is different for disaster loans than standard SBA loans. The underwriter reviews the information submitted and if they determine that the business/owners do have the financial capacity to survive the projected cash flow shortfall, the loan must be denied.

The lenders have the unilateral authority (without notice to or consent from SBA) to defer loan payments for up to 6 months (up to 3 months if the loan is sold to the secondary market).

The lender reviews the borrower's financial condition and performs an analysis, documents the analysis in the credit file and prepares/obtains necessary legal form/modification agreement signed by the borrower. The lender notifies SBA by entering the new information on the loan (new payment amount) in etran servicing and reports the loan as being in deferral status 4 on monthly 1502 reports.

Our SBA resource partners are available to provide free mentoring and counseling to small businesses to help them through this challenging time. Please encourage them to contact their local Small Business Development Center, SCORE, Women's Business Center or Veterans Business Resource Center. These partners are a fantastic resource and are staffed with intelligent and caring professionals.

The St Louis District Office is planning to host webinars on the EIDL and I'll let you know when those are scheduled if you and/or your clients are interested in participating.

I don't have any information beyond what you have read or seen in the media on the potential \$2 trillion stimulus plan (CARES). If and when CARES becomes law, SBA will establish policies and procedures to implement the new law and I will send you an update as soon as official SBA information is available.

If you are not interested in receiving my emails please let me know. You won't hurt my feelings and I can remove you from my list.

Thank you again for everything you are doing to help our country and our small business owners through this challenging time.

Please contact me when I can be of further assistance.

Tom Daiber

Lead Lender Relations Specialist

St Louis District Office

U.S. Small Business Administration

1222 Spruce Street, Suite 10.103

St Louis MO 63103

314-539-6614

thomas.daiber@sba.gov

Stay Open/Classification

Under the North American Industry Classification System

Download the manual here.

<https://www.census.gov/eos/www/naics/>

Under sector 81 - Other Services

811 Repair and Maintenance

8111 Automotive Repair & Maintenance

Car Washes is listed under that heading as 811192.

Page 570 gives the full definition and lists car washes in its illustrative example.

81119 Other Automotive Repair and Maintenance -

Here are the areas I think we fall under:

- Transportation and infrastructure necessary to support authorized businesses
- Gas stations and convenience stores
- Auto supply and repair (including retail dealerships that include repair and maintenance, provided that retail activity ceases). Pretty gray here since they say stop all retail activity
- Other related firms and professionals for who provide services necessary to maintain the safety, sanitation, and critical operation of residences
- Critical services necessary to maintain the safety, sanitation and critical operations of residences or other critical businesses, including:
 - general maintenance whether employed by the entity directly or a vendor

John Guest Email

Dear valued customers,

As you already may know, the Water Quality Association along with the regional WQAs have been working diligently to get us listed as "essential." Their efforts have paid off and the DHS has included as "essential" all functions in the water treatment industry. This means that everyone in water treatment can remain open, receive orders and service your customers.

[http://www.wqa.org/Portals/0/dhs_essential_workers.pdf?
mkt_tok=eyJpIjoiTWpabVpHVXINMkUxT1RjMiIsInQiOiJpVTRLam9OdIV2eU1
DbzFHNmFia003MwVs3SGRXNW5pNjgyWWUrbjFYRm85aIRKZFJlQ3hBRXB
kTjJCdmd2bnJGMUJ6U2ZmOXIrTktEODNlcnSQjkhZnhiVzVRNStGd2kzVGw
1XC9mTDBnNU9YUnZsQ2h0MWYzVlpGXc9GSVVYR3NSIn0%3D](http://www.wqa.org/Portals/0/dhs_essential_workers.pdf?mkt_tok=eyJpIjoiTWpabVpHVXINMkUxT1RjMiIsInQiOiJpVTRLam9OdIV2eU1DbzFHNmFia003MwVs3SGRXNW5pNjgyWWUrbjFYRm85aIRKZFJlQ3hBRXBkTjJCdmd2bnJGMUJ6U2ZmOXIrTktEODNlcnSQjkhZnhiVzVRNStGd2kzVGw1XC9mTDBnNU9YUnZsQ2h0MWYzVlpGXc9GSVVYR3NSIn0%3D)

FOCUSED CARWASH SOLUTIONS

<https://www.focusedcarwash.com>

1-866-303-6287

