



## **PPP Loans Now Better than Ever!**

### **Businesses may be Eligible for PPP Loans even if the Bank Says No!**

Businesses and Non-Profits should have a much easier time getting more of their PPP Loans Forgiven and converted to government grants which do not need to be paid back! The bill passed by the House on May 27<sup>th</sup> eases restrictions as organizations seek forgiveness of their loan. The bill will be going to the Senate and then to the President for signature. Indications are that the final bill will have the same positive effects on Businesses and Non-Profits.

Instead of having to use 75% of PPP funds on payroll, the final bill will decrease this to a lower percentage allowing businesses to have a greater percentage of non-payroll expenses Forgiven. The number of weeks during which PPP Loan funds have to be spent will probably be extended from 8 weeks to either 16 or 24 weeks. This helps businesses that originally believed they would not be able to spend PPP Loan funds within the original 8-week time frame and have their loan forgiven. They will now have an additional 8 or 16 weeks in which to use the PPP funds and have their loan Forgiven. This increased time frame makes Forgiveness more accessible to additional types of businesses that are the last to be allowed to reopen. These types of businesses include restaurants, gyms, salons, theaters, as well as other businesses deemed non-essential. These changes will help businesses who did not initially apply for the PPP Loan because they could not rehire and reopen by June 30<sup>th</sup>, and were unable to use 75% of the loan amount for payroll in only 8 weeks. The repayment term will probably increase from 2 years to perhaps 5 years. This will provide businesses with additional time to repay the portion of the PPP Loan that was not Forgiven as well as lower the monthly amount that has to be repaid.

The net effect of the upcoming legislation noted above is that more Businesses and Non-Profits can apply for a PPP Loan knowing that they might be able to get close to 100% of the PPP Loan amount Forgiven and turned into a government grant that does not need to be repaid!

We anticipate that this legislation will create a rush of new PPP applications and we urge Businesses and Non-Profits to apply for a PPP Loan as soon as possible before these funds are depleted.

An Applicant that receives a PPP Loan of less than \$2,000,000 now benefits from the following safe harbor rule as per FAQ #46 of SBA Guidance issued on May 13, 2020, "...Any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification concerning the necessity of the loan request in good faith. SBA has

determined that this safe harbor is appropriate because borrowers with loans below this threshold are generally less likely to have had access to adequate sources of liquidity in the current economic environment than borrowers that obtained larger loans. This safe harbor will also promote economic certainty as PPP borrowers with more limited resources endeavor to retain and rehire employees". Thus, while all PPP loans are subject to audit by the SBA, as noted above, those below \$2,000,000 do not have to prove economic need as originally mandated in FAQ #31 that was published on April 23, 2020. We believe that FAQ #46 has now motivated companies to apply for a PPP loan that were initially apprehensive about the appropriateness of applying for a PPP loan

We have helped companies across the country obtain sizeable PPP Loans when they assumed their business was not eligible or were turned down by other lenders. Here are a few PPP success stories you may find interesting.

### **Staffing Company with 1,200 Employees**

### **\$6,900,000 PPP Loan**

A staffing Company based in Florida with 1,200 employees did not believe they were eligible for a PPP loan because they had over 500 employees. The CFO read a detailed email about PPP Loans from Asset Enhancement Solutions, LLC ("AES") similar to this one. The email noted that businesses with over 500 employees and Portfolio Companies of PE firms could be eligible for PPP Loans in certain situations. The CFO reached out to AES on Saturday, May 9<sup>th</sup> for assistance. Due to the complexity of the situation AES hosted a conference call with the CFO and an outside consultant retained at AES's expense to help assess eligibility. The Company received their \$6.9 million PPP loan on May 21<sup>st</sup>.

### **Food Manufacturer Acquired in March 2020**

### **\$1,100,000 PPP Loan**

A food manufacturer with 120 employees was acquired in March 2020 by an investor. The Company applied to its bank for a PPP loan but was turned down because the bank said it had to be in business as of 2/15/20 as mandated in the CARES Act and SBA Guidelines. The Controller received an email about PPP Loans from AES and forwarded it to the COO. The COO called AES for assistance on May 5<sup>th</sup>. The company is the largest employer in a very small town. The Company is the town, and the town is the Company! AES has been assisting companies large and small nationwide with complex PPP issues, but this was a situation where our team had the opportunity to make a big impact. AES reached out to its contacts at the SBA for assistance and helped figure out how to qualify the Company for a PPP loan. On May 8<sup>th</sup>, they were approved by the SBA for a \$1.1 million PPP loan and the COO said, "I can't express in words my sincere appreciation for what the AES PPP team did to help us get approved by the SBA".

### **Foreign Owned Retail Chain**

### **\$250,000 PPP Loan**

A 100% foreign owned 7-Store Retail Chain was turned down for a PPP loan by two of the banks they have relationships with. They were declined because of their foreign ownership. The Company's Part-Time Controller read an email about PPP Loans from AES and called us for assistance on 5/20 at 5pm. The Controller first spoke with one of our senior consultants with 30 years of banking experience who diagnosed

the issues and assigned him to another senior consultant who has successfully closed PPP Loans for a number of U.S. subsidiaries of foreign owned companies. By 6:30 p.m. our senior consultant had already reached out to the Controller sending him our proprietary forms and documents. Our consultant communicated periodically with the Controller providing him guidance on the documents and on Friday evening, 5/22 at 7:35 p.m. the Controller sent the completed documents back to AES for our review. On Tuesday, 5/26 our consultant will finalized the documents with the Controller and together did a Zoom session where we assisted the Controller with the online application our boutique bank uses to process PPP applications. The Company was approved by the Bank and SBA and received their PPP Loan within 10 days.

As a member of the Queens Chamber of Commerce, your employer, client or other businesses, non-profits and independent contractors you know may be eligible for a PPP Loan without even knowing it. Continue reading below to see how we can help.

Asset Enhancement Solutions, LLC has an Agency Agreement with a boutique bank in New York and is still accepting and processing PPP loans of \$100,000 to \$10,000,000 nationwide regardless of the existing banking relationship. We have direct contact with the senior decision-makers of this bank and PPP loan processing is smooth and swift. For PPP loans less than \$100,000 we utilize a different lender with whom we also have an agency relationship.

**There is no cost to the applicant for our services.**

Many lenders quickly disqualify PPP loan requests if the application has any degree of complexity. We have successfully closed many complex PPP Loans. We never shy away from complex situations; we embrace and thrive on them and find creative solutions to financial challenges, whether it be a PPP loan or a credit facility for a middle-market company with financial difficulties.

### **Some of the Complex PPP Loans we Closed include:**

- Businesses & Non-Profits with over 500 employees
- Businesses that were purchased after February 15, 2020
- Businesses & Non-Profits that were in operation for only part of 2019
- Businesses & Non-Profits that were turned down by other lenders
- U.S. Subsidiaries of foreign owned companies
- Businesses with foreign ownership
- Portfolio Companies of Private Equity firms
- Businesses & Non-Profits that did not think they qualified for the PPP loan
- Businesses & Non-Profits that commenced operations in early 2020
- Partnerships
- Non-Profits affiliated with Foreign run Non-Profits

While others are just accepting and processing applications, we are trouble-shooting every phase of the PPP loan process, from determining applicant eligibility to helping the applicant through the details and complexities of the process. We have a strong team of 14 experienced professionals who are providing

incredible VIP/White Glove service to our clients. Six members on our team are CPA's. We have retained outside consultants at our expense to determine PPP eligibility for complex situations for prospective clients.

We are committed to whatever it takes to get the applicant approved by our lender! We are not competing with the services that Accounting Firms and Law Firms are providing to their clients in connection with the PPP Program. When our friends at commercial banks have to say "No" to an applicant, we are a trustworthy, professional, and non-competing source that can accept and process PPP loans nationwide.

[Click here to learn more and schedule a meeting with one of our senior PPP consultants](#)

And should you be in need of non-traditional financing during this turbulent time [learn more here](#) or [please contact us](#) to see if we can assist you.

We never shy away from a challenge; we have the experience and expertise needed to find a creative solution to financial challenges.

#### [Disclaimer](#)



**Asset Enhancement Solutions, LLC**  
*Creative Solutions to Financial Challenges*

## About Asset Enhancement Solutions, LLC

Asset Enhancement Solutions, LLC ("AES"), is a financial advisory firm that provides both Investment Banking and Consulting Services to companies considering important transactions such as selling a company, acquiring a company and raising capital. We specialize in arranging debt and equity financing for companies with challenges. Unfavorable challenges such as operational, legal, tax, financial or liquidity issues or positive challenges such as opportunities for growth, acquisitions and long-term success. AES works with middle market companies, public companies and small businesses. The firm was founded on the principle of providing innovative solutions and valued-added services to clients at a reasonable fee structure.

AES arranges financing for businesses when traditional banks say no, and as such, is a resource for businesses, their accountants and attorneys. AES can help banks maintain customer relationships by arranging financing for their customers with non-traditional funding sources. Asset Enhancement Solutions, LLC has arranged over \$500 million in financing for both private and public companies in a variety of industries and geographical areas. We can manage the process of sourcing debt or equity financing which

**businesses need for short and long-term growth or survival. We never shy away from adversity; we embrace and thrive on it. We have the experience and expertise needed to find Creative Solutions to Financial Challenges.**

**To learn more about how Asset Enhancement Solutions, LLC can assist you with your transaction, please contact:**

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