

## **COVID-19 LOAN & GRANT PROGRAMS**

### **ECONOMIC INJURY DISASTER LOAN PROGRAM**

#### ***Small Business Administration***

***Update:*** With the additional funding provided by the new COVID-19 relief package, the Small Business Administration (SBA) has resumed processing Economic Injury Disaster Loans (EIDL) and Advance applications that are already in the queue on a first come, first-served basis. Further information on the availability of the EIDL portal to receive new applications (including those from agricultural enterprises) has not yet been released, but is expected soon.

Small business owners in all U.S. states, Washington D.C., and territories may be eligible to apply for an EIDL of up to \$2,000,000 because of the COVID-19 disaster. The loan is made by the SBA directly and \$10,000 advance on the loan can be requested as well. This loan advance will not have to be repaid.

EIDL is also offering “Advance Grants” which provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA EIDL. To access the advance, you first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance, and may be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.

#### **EIDL LOAN TERMS**

- Maximum amount of \$2,000,000
- Proceeds must be used for working capital needs such as fixed debt and payroll
- Interest rate of 3.75% for businesses and 2.75% for nonprofits
- Loan term of up to 30 years, depending on the needs of the borrower
- Automatic one-year deferment on repayment so the first payment is not due for a full year

#### **EIDL ELIGIBILITY**

- Applicant must be adversely impacted by the COVID-19 pandemic
- Must be a small business with 500 or fewer employees. Businesses in certain heavily impacted industries may be eligible as well even if they have more than 500 employees. Private non-profit organization or 501(c)(19) veteran’s organizations that meet the employee number requirement are also eligible.
- Sole proprietorships, independent contractors, self-employed persons, private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19. This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the SBA’s size standards for those industries.
- The EIDL advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid (up to \$10,000).

#### **EIDL RESOURCES**

- [EIDL Website](#)
- [EIDL Advance Grants](#)
- [EIDL FAQs](#)

## **PAYCHECK PROTECTION PROGRAM**

### ***Small Business Administration via third party, 7(a) lenders***

**Update:** The Small Business Administration (SBA) resumed accepting Paycheck Protection Program applications from participating lenders on Monday, April 27, 2020 at 10:30am EDT.

The Paycheck Protection Program (PPP) was created through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and was intended to incentivize businesses to keep their employees on payroll throughout the early and subsequent months of COVID-19. These programs will be administered more like traditional SBA programs, i.e. through third party, 7(a) lenders.

The program provides cash-flow assistance through 100% federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers remain employed, as well as help affected small businesses and our economy snap-back quicker after the crisis.

### **PPP LOAN TERMS**

- Allows you to apply for a 100% government backed, low interest SBA 7(a) loan up to \$10 million. The loan amount will equal 250% of your average monthly payroll costs.
- The period covered for the debt forgiveness is from February 15, 2020 until June 30, 2020.
- The 100% government backed loans and fee waivers will be authorized through December 31, 2020.
- Allows you to use the loan to cover payroll costs, including salaries, paid sick and medical leave, insurance premiums, mortgage, rent and utility payments.
- Delegates authority to all current 7(a) lenders to determine your eligibility.
- Prevents you from accessing both this and an SBA disaster relief loan for the same purpose.

### **PPP ELIGIBILITY**

- Small business concerns, as well as any business concern, a 501(c)(3) nonprofit organization, a 501(c)(19) veterans organization, or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.
- Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.
- Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.
- Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

### **PPP RESOURCES**

- [PPP Website](#)
- [PPP FAQs](#)

## MAIN STREET LENDING PROGRAM

### *The Federal Reserve*

**Update:** *The Federal Reserve announced on April 30, 2020 that the Main Street Lending Program is being expanded to include small and medium-size businesses with minimum loans of less than \$1 million. However, the program is not yet open for applications.*

Operated through the Federal Reserve, with funds appropriated through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Main Street New Loan Facility (MSNLF), Main Street Priority Loan Facility (MSPLF), and Main Street Expanded Loan Facility (MSELF) programs will provide up to \$600 billion in loans to eligible borrowers.

### MAIN STREET LOAN ELIGIBILITY

- You are a business that was established prior to March 13, 2020 with no more than 15,000 employees or less than \$5 billion in 2019 annual revenues.
- To be considered an eligible borrower, the business must be created or organized in the U.S. or under the laws of the U.S. with significant operations and most employees in the U.S.
- If a business participates in the MSNLF, it is not eligible to also participate in the MSPLF or MSELF and vice versa; nor the Primary Market Corporate Credit Facility
- Has not received support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the Coronavirus Aid, Relief, and Economic Security (CARES) Act)

### MAIN STREET LOAN TERMS

- **The MSNLF provides loans to eligible borrowers originated on or after 4/24/2020 with the following terms:**
  - 4-year maturity
  - Principal interest will be deferred for one year while unpaid interest will be capitalized
  - Adjustable rate of the London Inter-bank Offered Rate (LIBOR) 1 or 3 month plus 300 basis points
  - Principal amortization of one-third at the end of year two, one-third at the end of year three, and one-third maturity at end of year four
  - Minimum loan size of \$500,000 and maximum loan that is the lesser of \$25 million OR an amount that, when added to the eligible borrower's existing outstanding and undrawn available debt does not exceed four times the eligible borrower's adjusted 2019 earnings before interest, taxes, depreciation, and amortization
  - Prepayment permitted without penalty
- **The MSPLF provides loans to eligible borrowers originated on or after 4/24/2020 with the following terms:**
  - 4-year maturity
  - Principal interest will be deferred for one year while unpaid interest will be capitalized
  - Adjustable rate of the London Inter-bank Offered Rate (LIBOR) 1 or 3 month plus 300 basis points
  - Principle amortization of 15% at ends of years two and three, plus a balloon payment of 70% at maturity at end of year four
  - Minimum loan size of \$500,000 and maximum loan that is the lesser of \$25 million, OR an amount that, when added to the eligible borrower's existing outstanding and undrawn available debt does not exceed six times the eligible borrower's adjusted 2019 earnings before interest, taxes, depreciation, and amortization
  - At the time of loan origination as well as all times the eligible loan is outstanding, the loan is senior to or pari passu with, in terms of priority and security, the eligible borrower's other loans or debt instruments, aside from mortgage debt

- Prepayment permitted without penalty
- **The MSELF provides loans (secured or unsecured term loan, or revolving credit facility) to eligible borrowers originated on or before 4/24/2020, and has remaining maturity of no less than 18 months (accounting for any adjustments made to the maturity after 4/24/2020, including at the time of upsizing), provided that the increased tranche is a term loan with the following terms:**
  - 4-year maturity
  - Principle interest will be deferred for one year while unpaid interest will be capitalized
  - Adjustable rate of the London Inter-bank Offered Rate (LIBOR) 1 or 3 month plus 300 basis points
  - Principle amortization of 15% at ends of years two and three, plus a balloon payment of 70% at maturity at end of year four
  - Minimum loan size of \$10 million and maximum loan that is the lesser of \$200 million OR 35% of the eligible borrower's existing outstanding and undrawn available debt that is pari passu in priority with the eligible loan and equivalent in secured status, OR an amount that an amount that, when added to the eligible borrower's existing outstanding and undrawn available debt does not exceed six times the eligible borrower's adjusted 2019 earnings before interest, taxes, depreciation, and amortization
  - At the time of upsizing, as well as all times the upsized tranche is outstanding, the upsized tranche is senior to or pari passu with, in terms of priority and security, the eligible borrower's other loans or debt instruments, aside from mortgage debt
  - Prepayment permitted without penalty

All loans require borrower certifications stating that the eligible borrower has reason to believe that it has the ability to meet its financial obligations for at least the three months following the date of the loan, and does not anticipate filing for bankruptcy during that time period. To read the entirety of the attestation, please visit the respective term sheets listed below.

#### MAIN STEET LOAN RESOURCES

- [Federal Reserve Website](#)
- [MSNLF Term Sheet](#)
- [MSPLF Term Sheet](#)
- [MSELF Term Sheet](#)

## PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND – PROVIDER RELIEF FUND

### Department of Health and Human Services

**Update:** On April 24, the remaining \$20 billion of the \$50 billion general allocation from the Provider Relief Fund (PRF) was released. Only providers who have already received a payment from the PRF as of 5pm EST on Friday, April 24 will be eligible to apply for additional funding through the PRF Application Portal. Then on May 6, HHS announced that it is extending the deadline for attestation, acceptance of terms and conditions for payments from 30 to 45 days.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. Included in it is \$100 billion in relief funds for hospitals and healthcare providers, known as the Provider Relief Fund (PRF). The funds are intended to bolster healthcare-related expenses and mitigate the impact of lost revenue caused by COVID-19. On April 10, 2020 the first tranche of this funding was distributed to eligible providers. **Totaling \$50 billion in general distribution, these payments to healthcare providers are grants which will not need to be repaid at any time.** The payments to providers are being distributed via direct deposit and will be paid via Automated Clearing House account information on file with UnitedHealth Group or the Centers for Medicare and Medicaid Services (CMS).

### PRF LOAN TERMS

- Payments are based on an HHS-determined methodology, which can be estimated by providers as their individual 2019 Medicare FFS payments divided by total 2019 FFS payments (\$484,000,000,000) and multiplied by \$30,000,000,000.
- Within 45 days of receipt of the funds, providers are required to sign an attestation confirming receipt and agreeing to the terms and conditions in the CARES Act PRF [Payment Attestation Portal](#)
- If there is evidence of grave misuse or illegal use of the funds, or if the provider balance bills for COVID-19 related treatment, HHS has the authority to require repayment of the grant.

### PRF ELIGIBILITY

- All facilities and providers that received Medicare Fee-for-Service (FFS) reimbursement in 2019 will be eligible for these funds.
- For practices that are members of larger medical systems, the payments will be sent to the system's central billing office.
- Even if normal operations have been postponed as a result of COVID-19, providers will still be eligible to receive the funds if they provide diagnoses, testing, or care for individuals with possible or confirmed cases of COVID-19.
- The care provided does not need to be specific to COVID-19, and HHS is emphasizing that every patient may be considered as a possible case of COVID-19.
- For payments beginning on April 24, all providers will be required to submit their revenue information for verification through the HHS [General Distribution Portal](#).
- For payments beginning on April 24, the funds will be distributed on a weekly, rolling basis as information is validated

HHS partnered with UnitedHealth Group (UHG) to deliver the stimulus payments, and physicians should contact UHG's Provider Relations at 866-569-3522. Note, if a physician or practice did not already set up direct deposit through CMS or UHG's Optum Pay, they will receive a check at a later date. Practices that would like to set up direct deposit now can call the UHG Provider Relations number.

### PRF RESOURCES

- [HHS Provider Relief Website](#)
- [PRF Application Portal](#)
- [HHS Provider Relief Terms and Conditions](#)

## ACCELERATED AND ADVANCE PAYMENTS PROGRAM FOR PROVIDERS AND SUPPLIERS

### *Centers for Medicare and Medicaid Services*

*Update: As of April 26, the Centers for Medicare and Medicaid Services (CMS) will no longer be accepting applications through the Accelerated and Advance Payments Program. Given the infusion of additional funding to the HHS Provider Relief Fund through the CARES Act, CMS is suspending the Advance Payment Program to Part B suppliers effective immediately. They will additionally be reevaluating the status of all pending and new applications to the Accelerated Payment Program.*

The Accelerated and Advance Payment (AAP) program serves as a source of cash flow for Medicare providers and suppliers impacted by national emergencies or disasters. The program has been expanded to provide payments to Medicare Part A providers and Part B suppliers during the COVID-19 national emergency. These accelerated payments will require repayment in full. The application, disbursement, and collection of payments will be handled by a provider or supplier's Medicare Administrative Contractor (MAC).

#### AAP LOAN TERMS

- Qualified applicants must request a specific amount using the Accelerated or Advance Payment Request Form found on each MAC's website
- Providers and suppliers may request up to 100% of their Medicare payment amount for a three-month period
- Inpatient acute care hospitals, children's hospitals, and some cancer hospitals may request up to 100% of their Medicare payment for a six-month period
- Critical access hospitals (CAH) may request up to 125% of their Medicare payment for a six-month period
- MACs will process and issue payments within 7 days of receipt of request
- Repayment will begin 120 days after the payment's issuance date
- Part A providers and Part B suppliers have 210 days from the date payment was made to repay the balance
- Inpatient acute care hospitals, children's hospitals, some cancer hospitals, and CAHs will have 12 months from the date payment was made to repay the balance
- Once the 120-day period has ended, recoupment will begin, and provider's/supplier's outstanding accelerated payment balance will be reduced by these new claim payment amounts

#### AAP ELIGIBILITY

- Provider or supplier has billed Medicare for claims in the 180 days prior to the date of the request
- Provider or supplier is not in bankruptcy
- Provider or supplier is not currently under medical review or program integrity investigation
- Provider or supplier does not have outstanding delinquent Medicare overpayments

#### AAP RESOURCES

- [AAP Fact Sheet](#)

*Disclaimer: The above is meant to serve as an educational summary of federal loan and grant programs related to COVID-19 as of April 2020. This information does not constitute or substitute legal or financial advice. Interested parties should continue to consult their legal and financial professionals*