

Government Stimulus Efforts to Fight the COVID-19 Crisis



On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (“CARES Act”) was enacted, representing one of the largest emergency aid and economic assistance programs ever adopted.

Although guidelines on the implementation of the CARES Act have not yet been shared with Financial Institutions, we recognize the importance of communicating information about the CARES Act, and how it could potentially assist you, our customer.

The following is a summary overview of certain provisions in the CARES Act. Before taking any actions based on the CARES Act, we recommend you consult with your financial, tax and legal advisors as appropriate. As you will see below, we have also provided a way for you to request further information when it becomes available or to request a consultation with one of our bankers.

March 30, 2020

BUSINESS LOAN PROGRAMS

BUSINESSES NON-PROFITS

PAYCHECK PROTECTION LOAN PROGRAM

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> • New \$349 billion US Small Business Administration (SBA) loan program for businesses with no more than 500 employees impacted negatively due to the COVID-19 outbreak • Expanded SBA loan eligibility • Incentivizes businesses to retain employees and rehire any employees already laid off or furloughed due to the COVID-19 outbreak • Program period from February 15, 2020 through June 30, 2020 <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p>	<ul style="list-style-type: none"> • Loans for qualified costs related to employee compensation and benefits, including (i) payroll costs, (ii) continuation of health care benefits, (iii) employee compensation (of those making less than \$100K), (iv) mortgage interest and scheduled principal payment obligations, (v) rent, (vi) utilities and (vii) interest on debt incurred before the covered period • Maximum loan based on employee salary formula, but not more than \$10 million • Interest rate may not exceed 4% • Principal, interest and fees deferred for 6 to 12 months from origination date • No SBA fee • 10 year term from date borrower applies for loan forgiveness • All or a portion of the loan may be forgivable in an amount equal to the amount spent during an 8-week period after the origination date on (i) rent, (ii) payroll costs for workers making less than \$100K, (iii) interest on a mortgage, and (iv) utility payments • Incentivizes businesses to retain and rehire employees laid off or furloughed due to the COVID crisis by reducing the amount forgiven proportionally by any reduction in employees retained compared to the prior year • Loan forgiveness under this program will not be included in gross income for federal income tax purposes • Loans made by lenders locally using delegated authority 	<ul style="list-style-type: none"> • Businesses that employ no more than 500 employees (or a greater number based on the size standard applicable to the industry) • Certain businesses in the Accommodation and Food Services Industry (NAICS Code 72) may be eligible if they have no more than 500 employees per physical location. In most cases, the number of employees is counted together with all affiliates. • Expands the type of eligible businesses and includes non-profits • Business was operational on February 15, 2020, and had employees for whom it paid salaries and payroll taxes, or paid independent contractors • Waives the credit available elsewhere, personal guaranty and collateral requirements • Borrower certification of satisfaction of program requirements and economic hardship 	<ul style="list-style-type: none"> • Federal regulations required to fully assess eligibility and complete applications • Development of specific loan terms and documents • Establishment of criteria for eligible lenders in addition to SBA approved lenders • Lender adoption of procedures to process applications <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p>

EMERGENCY ECONOMIC INJURY DISASTER LOANS (EIDLs)

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> EIDL disaster relief loan program provides small businesses with working capital loans of up to \$2 million to help overcome the temporary loss of revenue they are experiencing Available to eligible small businesses in all U.S. States and Territories in response to the COVID-19 outbreak Provides for advances of up to \$10,000 within three days of applying Program period between January 31, 2020 and December 31, 2020 <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p>	<ul style="list-style-type: none"> EIDL disaster relief loans in all U.S. States and Territories in response to the COVID-19 outbreak May request an advance of up to \$10,000 within three days after the SBA receives an application (subject to verification of program eligibility) and is not subject to repayment, even if the loan request is ultimately denied Loan proceeds for use to pay paid sick leave due to COVID-19, payroll, increased costs due to supply chain disruption, mortgage and rent payments and other obligations that cannot be met due to revenue losses Waives the requirement of personal guarantees for loans up to \$200,000, the requirement that the applicant must be in business for a year (but must be in operation on January 31, 2020), and the credit elsewhere test 	<ul style="list-style-type: none"> Businesses with no more than 500 employees Expands the type of eligible businesses and includes non-profits May be approved solely on the bases of credit score or by use of alternative methods to gauge the applicant's ability to repay 	<ul style="list-style-type: none"> Federal regulations required to fully assess eligibility and complete applications <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p>

BUSINESS LOAN PROGRAMS

BUSINESSES

SBA LOAN PAYMENT SUBSIDIES AND PAYMENT DEFERRALS

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> SBA payment deferral of up to 6 months of principal, interest and fees for eligible SBA loans •Waiver of limits on maximum maturity for eligible loans given deferral and extended maturity in the year following enactment of the CARES Act. <p><i>PLEASE CONTACT YOUR LENDER IF YOU CURRENTLY HAVE AN SBA LOAN TO DISCUSS ELIGIBILITY AND PAYMENT PROCEDURES</i></p> <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p> <p>SBA.GOV</p>	<ul style="list-style-type: none"> SBA pays the principal, interest, and fees owed for loans in regular servicing status, whether on deferment or not, that were made before the enactment of the Act for the 6-month period following the next payment due date, and for any such loans that were made within 6 months after the date of enactment of the CARES Act, six months from the date the first payment is otherwise due SBA shall make payments to the lender not later than 30 days from when the first eligible payment is due and those payments shall be applied such that the borrower is relieved of any obligation to pay that amount Waiver of limits on maximum loan maturity for loans given deferral and extended maturity during the year following enactment of the CARES Act 	<ul style="list-style-type: none"> SBA §7(a) Loans and loans made by an intermediary using §7(a) loans or grants Currently no apparent application requirement Paycheck Protection Loans and EIDLs are not eligible 	<ul style="list-style-type: none"> Federal regulations to establish program procedures SBA establishment of lender payment procedures <p><i>PLEASE CONTACT YOUR LENDER IF YOU CURRENTLY HAVE AN SBA LOAN TO DISCUSS ELIGIBILITY AND PAYMENT PROCEDURES</i></p> <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p> <p>SBA.GOV</p>

BUSINESS LOAN PROGRAMS

BUSINESSES NON-PROFITS

CORONAVIRUS STABILIZATION ACT LOANS			
PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> • Authorizes the Treasury Secretary to make up to \$500 billion worth of loans and loan guarantees to eligible businesses, non-profits, states, and municipalities • No more than \$25 billion can be loaned to passenger air carriers, no more than \$4 billion to air cargo carriers, and no more than \$17 billion to businesses important to maintaining national security • Specific loan program for mid-sized businesses and non-profits with between 500 and 10,000 employees 	<ul style="list-style-type: none"> • Enhances access to credit for mid-sized and large organizations impacted by COVID-19 • Mid-sized businesses and non-profits will not be required to make payments for at least 6 months • Mid-sized businesses and non-profit loan interest rate no greater than 2% • No loan forgiveness • Other loan terms to be determined and may include warrants, options and other equity features 	<ul style="list-style-type: none"> • Eligible businesses include passenger air carriers or any other business that has not already received adequate economic relief in the form of loans or loan guarantees under other provisions of the CARES Act • Must adhere to restrictions on the payment of dividends, stock repurchases and employee compensation • No reduction in force greater than 10% before September 2020 • Eligible mid-sized organizations required to certify intent to maintain at least 90 percent of their current workforce, not outsource or offshore jobs and certain other matters relating to union activity 	<ul style="list-style-type: none"> • Federal regulations to establish program procedures • It is anticipated that this program will be administered directly by the U.S. Treasury Department and the Federal Reserve

HOME MORTGAGE AND CONSUMER LOAN RELIEF

**INDIVIDUALS
BUSINESSES
NON-PROFITS**

MULTI-FAMILY MORTGAGE FORBEARANCE			
PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> Up to 90 days of forbearance for multifamily borrowers with a federally backed multifamily mortgage loan who have experienced a financial hardship <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p>	<ul style="list-style-type: none"> The opportunity to defer payments due to COVID-19 related hardship for 30 days with extensions for an additional 60 days Not obligatory and forbearance can be revoked 	<ul style="list-style-type: none"> Mortgages on real property designed for five or more families that are purchased, insured, or assisted by Fannie Mae, Freddie Mac, or HUD May not evict or charge late fees to tenants for the duration of the forbearance period 	<ul style="list-style-type: none"> Federal regulations to establish program procedures Submit a request for forbearance <p><i>IF YOU HAVE A MULTI-FAMILY MORTGAGE WITH US AND WOULD LIKE TO MAKE A REQUEST FOR FORBEARANCE, PLEASE CLICK HERE</i></p> <p><i>IF YOU WOULD LIKE MORE INFORMATION ON THIS PROGRAM WHEN IT BECOMES AVAILABLE, PLEASE CLICK HERE</i></p>

INDIVIDUALS

HOME MORTGAGE FORBEARANCE AND FORECLOSURE MORATORIUM			
PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> Foreclosures prohibited for 60 days following March 18, 2020 Borrowers who have experienced a COVID-19 related hardship may request up to 180 days forbearance 	<ul style="list-style-type: none"> Additional time to stay in your home despite a pending default The opportunity to defer payments due to COVID-19 related hardship for 180 days and seek further forbearance after that for an additional 180 days No penalties, interest or fees charged beyond those applicable if payments were made on time during the forbearance period No fees or charges permitted for forbearance Forbearance will not result in an adverse credit report 	<ul style="list-style-type: none"> Mortgages held by Fannie Mae and Freddie Mac, insured by HUD, VA, or USDA, or directly made by USDA held or insured by Federal agencies Some states may have similar programs applicable to other mortgages 	<ul style="list-style-type: none"> Federal regulations to establish program procedures Submit a request for forbearance

TENANT EVICTION MORATORIUM

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> 120 Moratorium on evictions of tenants 	<ul style="list-style-type: none"> For 120 days beginning on the date of enactment of the CARES Act, landlords are prohibited from initiating legal action to recover possession of a rental unit or to charge fees, penalties, or other charges to the tenant related to such nonpayment of rent 	<ul style="list-style-type: none"> Applicable to properties with a mortgage insured, guaranteed, supplemented, protected, or assisted in any way by HUD, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994 	<ul style="list-style-type: none"> Federal regulations to establish program procedures

CREDIT REPORTING LIMITATIONS

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> Borrowers who agree to forbearance or modified payments reported as same status prior to the accommodation or current for credit reporting purposes 	<ul style="list-style-type: none"> This applies so long as the consumer has fulfilled requirements pursuant to the forbearance or modified payment agreement. 	<ul style="list-style-type: none"> Protection is available beginning January 31, 2020 and ends 120 days after the date the national emergency declaration related to the coronavirus is terminated 	<ul style="list-style-type: none"> Federal regulations to establish program procedures

SUSPENSION OF STUDENT LOAN PAYMENTS

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> Suspension of payments on student loans held by the Department of Education for 6 months 	<ul style="list-style-type: none"> Payments on student loans held by the Department of Education are suspended for 6 months Interest will not accrue during the suspension period No involuntary collection activities during the period of payment suspension 	<ul style="list-style-type: none"> Applicable to student loans held by the Department of Education 	<ul style="list-style-type: none"> Federal regulations to establish program procedures

RETIREMENT PLAN LOANS AND DISTRIBUTIONS

PROGRAM	BENEFITS	GENERAL ELIGIBILITY	NEXT STEPS
<ul style="list-style-type: none"> • Availability of COVID-19 based hardship distributions from retirement plans • Increased loan availability from retirement plans • Minimum distribution requirements for most qualified plans are temporarily waived 	<ul style="list-style-type: none"> • Eligible distributions in an amount up to the lesser of the participant's plan balance or \$100,000 • Covered distributions not subject to 10% early withdrawal penalty but would be subject to income tax, payable over up to three years • Distributions may be repaid at any time during the three year period beginning on the day after the date such coronavirus-related distribution was received • The limit on total plan loans from the participant's vested balance increased from \$50,000 to \$100,000 • The due date of any plan loan made between the date of enactment of the CARES Act and December 31, 2020, may be delayed for one year 	<ul style="list-style-type: none"> • Eligible retirement plans for distributions include employer sponsored plans and IRAs • Applicable to distributions from an eligible retirement plan made on or after January 1, 2020 and before December 31, 2020, to an individual (1) who is diagnosed with COVID-19, (2) whose spouse or dependent is diagnosed with COVID-19, or (3) who experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, had hours reduced, or other factors as determined by the Secretary of the Treasury. • Applicable to loans from an employer sponsored plan made during the 180-day period beginning on the date of enactment of the CARE Act 	<ul style="list-style-type: none"> • Federal regulations to establish program procedures • Plan loans are subject to the terms of your employer's retirement plan, including any fees and application requirements • Any decision to take a distribution or loan from your retirement accounts should be discussed with your financial advisor