COMPREHENSIVE GUIDE TO COVID-19 STIMULUS & ASSISTANCE PROGRAMS
FEDERAL LEGISLATION

• Families First Coronavirus Response Act H.R. 6201 (FFCRA)

  ➢ Effective April 2, 2020
  ➢ Applies only to employers with less than 500 employees
  ➢ Limited to coronavirus pandemic and expires December 31, 2020
  ➢ Mandates, covered employers provide paid leave for employees affected by COVID-19 if those employees are unable to work or telework
  ➢ Two components: 2 weeks (80 hours) paid sick leave and 10 weeks paid FMLA leave
1. The employee is subject to a federal, state, or local quarantine or an isolation order related to COVID-19.

2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.

4. The employee is caring for an individual who is subject to a federal, state, or local quarantine or isolation order related to COVID-19.

5. The employee is caring for an individual who has been advised by a health care provider to self-quarantine due to the concerns related to COVID-19.

6. The employee is caring for his/her child in the event of school or daycare closure due to COVID-19, or if the childcare provider of the son or daughter is unavailable due to COVID-19 precautions.
FFCRA RATE OF PAY

• The sick leave is paid at the employee’s regular rate of pay if it is due to the employee being sick or quarantined due to COVID-19, up to $511 a day and $5,110 total

• FMLA is used when caring for another individual due to COVID-19 and is paid at 2/3 of the employee’s regular rate of pay, capped at $200 per day and $2,000 total (kicks in after the first 2 weeks of emergency paid sick leave)
FFCRA TAX CREDITS

• Tax credits will be allowed to offset anticipated costs for both paid emergency sick leave & the FMLA leave due to COVID-19
  ➢ Employers are allowed a credit against the employer portion of Social Security taxes equal to 100% of the qualified paid emergency sick or FMLA leave

C.A.R.E.S. ACT

• *Keeping American Workers Employed and Paid Act and COVID-19 Relief for Small Businesses Act of 2020* make up Division A of the stimulus

• Emergency Economic Injury Grants through Economic Injury Disaster Loan (EIDL) program

• Paycheck Protection Program

• Debt Relief for Existing & New SBA Borrowers

• Employee Retention Tax Credit

• Payroll taxes deferred until end of year

• Economic Stabilization Loans for Severely Distressed Sectors

• Unemployment Insurance & Benefits

• Airline Economic Stabilization Loans
SBA ECONOMIC INJURY DISASTER LOAN

• Businesses can get up to 2 million dollars with an up to 30 year repayment schedule (SBA will determine both) at 3.75% interest with payments beginning 5 months after you receive the funds.
• Anything above 25K requires collateral (business assets, real estate, etc.)
• Businesses must prove they have been affected, have an acceptable credit history, and must be able to repay the loan.
• Businesses must be physically located in the declared county (not just have an economic presence).
• Applications are made directly with the SBA, not through a bank.
• Loan decisions are issued in about 3 weeks, but loan disbursement will take longer and depends on how the client meets the closing requirements.
• Loans can be made based solely on credit scores.
• Loans available to all non-profits, including 501(c )(6)s.
• Loans below $200,000 can be approved without a personal guarantee.
• Borrowers can receive $10,000 cash advances that are forgiven if spent on paid leave, maintaining payroll, increased costs due to supply chain disruption, mortgage or lease payments, or repaying obligations that cannot be met due to revenue losses.

PAYCHECK PROTECTION PROGRAM

New $349 billion lending program, modeled on existing SBA 7(a) program, with 100% government guarantee (as opposed to 75% guarantee for 7(a) loans).

Eligibility:

- Small businesses as defined by SBA size standards (generally up to 500 employees, but up to 1,500 employees depending on the sector and certain sectors are based on revenue).
- Businesses in the Accommodation and Food Services Sector (NAICS Code 72) are eligible with up to 500 employees at each location.
- 501 (c)(3) non-profits with fewer than 500 employees.
- Sole proprietors, the self-employed, and independent contractors.

Regulatory Streamlining:
- SBA's standard "no credit elsewhere" test is waived
- All lenders (non-SBA lenders to be approved by Treasury and SBA) can provide loans
- No personal guarantee or collateral required
- Lenders defer fees, principal, and interest for no less than 6 months and no more than 1 year.
• Maximum Loans: Generally, monthly payroll costs for 2 ½ months, not to exceed $10 million. Payroll costs exclude compensation paid to individuals, including the self-employed, above $100,000 a year.

• Requirements: The employer certifies loan will be used to retain workers, maintain payroll, make mortgage or lease payments, and pay utilities.

• Loan Forgiveness: The borrower shall have a portion of their loan forgiven in the amount equal to their payroll costs (not including costs for compensation above $100,000 annually), interest payments on mortgages, rent payments, and utility payments between February 15 and June 30, 2020. Loan forgiveness will be reduced if the borrower reduces employment by a ratio similar to their reduction in employment or if borrower reduces salaries and wages by more than 25%.
PPP CONTINUED

U.S. Chamber Guide:

Additionally, the U.S. Department of Treasury issued additional guidance regarding the Paycheck Protection Program. Links to the resources provided by Treasury can be found below, or on their webpage.

- FAQs on the program can be found here.
- A top-line overview of the program can be found here.
- If you’re a lender, more information can be found here.
- If you’re a borrower, more information can be found here.
- The application for borrowers can be found here.
LOCAL 7A LENDERS

• BB&T
• Clear Mountain Bank
• First Peoples Community Federal Credit Union
• First United Bank & Trust
• M&T Bank
• Somerset Trust Company
• Farm Credit of the Virginias (Awaiting Certification)
DEBT RELIEF FOR EXISTING & NEW SBA BORROWERS

As part of SBA's debt relief efforts:

• The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.

• The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.

For current SBA Serviced Disaster (Home and Business) Loans: If your disaster loan was in “regular servicing” status on March 1, 2020, the SBA is providing automatic deferments through December 31, 2020.

• What does an “automatic deferral” mean to borrowers?
• Interest will continue to accrue on the loan.
• 1201 monthly payment notices will continue to be mailed out which will reflect the loan is deferred and no payment is due.
• The deferment will NOT cancel any established Preauthorized Debit (PAD) or recurring payments on your loan. Borrowers that have established a PAD through Pay.Gov or an OnLine Bill Pay Service are responsible for canceling these recurring payments. Borrowers that had SBA establish a PAD through Pay.gov will have to contact their SBA servicing office to cancel the PAD.
• Borrowers preferring to continue making regular payments during the deferment period may continue remitting payments during the deferment period. SBA will apply those payments normally as if there was no deferment.
• After this automatic deferment period, borrowers will be required to resume making regular principal and interest payments. Borrowers that cancelled recurring payments will need to reestablish the recurring payment.
EMPLOYEE RETENTION TAX CREDIT

- Employee retention benefit: 50% refundable payroll tax credit during COVID-19 crisis for businesses that either fully or partially shut down OR have a 50% decrease in receipts versus the same quarter in the previous year and continue to pay employees.

- Based on qualified wages paid to employees during crisis, tied to number of employees (100+ full time employees = wages paid when they are not providing services due to COVID-19 and less than 100 full time employees = wages paid regardless of business closure status)

- Covers up to $10,000 paid per employee, including benefits, for the period 3/13/20-12/31/20

- Payroll tax deferred, payments to be spread over 2 years

- Net operating losses (NOLs) modification: NOLs arising in FY’s ‘18, ‘19, and ‘20 can be carried back 5 years

- AMT credits available as refundable credits through 2021 can be claimed as a refund now

- Allowable deductible interest expenses are increased from 30% to 50% for 2019 and 2020.

ECONOMIC STABILIZATION LOANS FOR SEVERELY DISTRESSED SECTORS

Through the U.S. Treasury

• Low or no-interest loans and loan guarantees for losses as a direct result of COVID-19

• Only open to business that has not otherwise received adequate economic relief from other programs under this Act, including SBA interruption loans and Paycheck Protection Program
UNEMPLOYMENT INSURANCE & BENEFITS

• Creates a temporary Pandemic Unemployment Assistance (PUA) program for those not traditionally covered by unemployment insurance (UI), including the self-employed, independent contractors, or those with limited work history
• Provides an additional $600 per week in recipients of UI and PUA for up to 4 months
• Provides an additional 13 weeks of UI after state UI expires
• Federal government will cover 100% of the cost of the first week of UI if states waive the 1 week waiting period to begin benefits
• Federal government will reimburse states for 50% of the costs incurred through 12/31/20 of unemployment benefits for state agencies and non-profits

https://www.dllr.state.md.us/employment/unemployment.shtml
AIRLINE ECONOMIC STABILIZATION LOANS

- Loan guarantees and support of passenger airlines including ticket agents (travel agencies)
STATE LEGISLATION

❖ SB 1080

• Retail Profits: The Governor may prohibit a retailer from increasing the sale or rental price of any good or service to a price that increases the retailer’s value of profit by more than 10%, including food, fuel, water and ice, medicine, medical supplies and equipment, cleaning products, building supplies and equipment, energy sources, and storage space.

• Employer Actions: The Governor may prohibit an employer from terminating an employee solely on the basis that the employee has been required to be isolated or quarantined.

• Unemployment Insurance Eligibility Due to COVID-19: authorizes the Secretary of Labor, to determine that an individual, who need not separate from the individual’s employment, is eligible for UI benefits if:
  ➢ the individual’s employer temporarily ceases operations due to COVID-19, preventing employees from coming to work;
  ➢ the individual is quarantined due to COVID-19 with the expectation of returning to work after the quarantine is over;
  ➢ the individual leaves employment due to a risk of exposure or infection of COVID-19 or to care for a family member due to COVID-19
STATE BUSINESS ASSISTANCE

• MD Emergency Relief Loan Fund (Applications Closed as of 4/6/20)

• MD Emergency Relief Grant Fund (Applications Closed as of 4/6/20)

• MD Emergency Relief Manufacturing Fund

• COVID-19 Layoff Aversion Fund
  https://www.dllr.state.md.us/employment/covidlafund.shtml
MD EMERGENCY RELIEF LOAN FUND

$75M Loan Fund offering working capital to assist Maryland for-profit small businesses disrupted operations due to COVID-19. Loan assistance is intended to provide interim relief complementing actions with its bank, business interruption insurance, and financial partners.

GENERAL TERMS AND CONDITIONS:

• Loans up to $50,000 (not to exceed three months of cash operating expenses) open to Maryland businesses impacted by the COVID-19 with fewer than 50 employees.

• 0% for the first 12 months, and 2% for the remaining 36 months.

• Deferral of any payments for the first 12 months, and straight amortization beginning in the 13th month through the 36th month.

• Business must be established prior to March 9, 2020 and in good standing.

• Applicants must have employees on their payroll for whom they have had payroll taxes withheld (i.e. W-2 employees).

• Two years of historical financial statements and most recent interim statement to benchmark revenue against (if available).

• Six month pro forma of estimated lost revenue or other documented loss evidence.

• Minimum personal credit score of 575.

• No collateral requirements.

• Eligible uses include: working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of operations.
$50M Grant Fund offering working capital to assist Maryland small businesses and nonprofits with disrupted operations due to COVID-19. Grant assistance is intended to provide interim relief complementing actions with its bank, business interruption insurance, and financial partners.

GENERAL TERMS AND CONDITIONS:

• Grants up to $10,000 not to exceed 3 months of cash operating expenses for Maryland businesses and nonprofits impacted by the COVID-19 with 50 or fewer employees.

• Must be established prior to March 9, 2020.

• Business must be in good standing.

• Applicants must have employees on their payroll for whom they have had payroll taxes withheld (i.e. W-2 employees).

• Annual Revenues of the business or nonprofit not to exceed $5 million as evidenced by Financial Statement or other financial documentation.

• Business or nonprofit is expected to seek longer term funding through its bank, SBA, or other source.

• Eligible uses include: working capital to support payroll expenses, rent, mortgage payments, utility expenses, or other similar expenses that occur in the ordinary course of operations.
COVID-19 LAYOFF AVERSION FUND

Designed to support businesses undergoing economic stresses due to the pandemic by preventing or minimizing the duration of unemployment resulting from layoffs. The award (up to $50,000 per applicant), will be a quick deployable benefit and customizable to the specific needs of your business to minimize the need for layoffs. Labor is accepting grant applications from small businesses for awards from now through 30 days after the State of Emergency ends (subject to funding availability).

- Provides funds to cover the cost of purchasing remote access (ex. computers, printers, etc.) equipment to allow employees to work remotely from home versus being laid off;
- Provides funds to cover the cost of purchasing software or programs that an employee would need to use from home;
- Supports businesses that take advantage of the Unemployment Insurance Work Sharing Program by supplementing the employee’s income and benefits;
- Provides funds to cover the costs of cleaning/sanitization services so that small businesses are able to keep employees at work on site, but only if a frequent deep cleaning to prevent exposure occurred;
- Pays for liability insurance for restaurants that convert to delivery while under emergency circumstances;
- Provides funds for training or professional development opportunities for employees to avoid layoffs; and
- Pays for adopting other creative approaches and strategies to reduce or eliminate the need for layoffs in the small business community.

**NOTE:** This funding is **not** for rent or employee wages (unless approved for Unemployment Insurance Work Sharing participation).
Provided by Garrett County Economic Development and Garrett County Development Corporation to provide small businesses with loans for interim emergency funding to help pay legitimate business expenses such as mortgage, rent, utilities, insurance, taxes, etc. in order to remain solvent, continue business operations, or eventually restart the business.

• Loan Amount & Interest – maximum of $5,000; 1% interest rate

• Eligibility:
  ➢ Businesses must be native to and located in Garrett County
  ➢ Small businesses and service-based businesses that have a minimum of 2, but no more than 10 employees
  ➢ Restaurants of any size

• The loan is available for one year, unsecured, and guaranteed by the principals.

• The payment terms will be four months of deferred monthly payments followed by interest-only payments until maturity.
SMALL BUSINESS PANDEMIC INTERIM LOAN

To apply, a business owner must provide the following:

➢ Have applied, or will be applying, for available Federal and State funding programs
➢ Show a plan to remain a solvent, viable business
➢ A completed loan application
➢ A personal financial statement of the principals/guarantors
➢ A fiscal year-end financial statement on the borrowers

• The Program will be administered under the direction of the Garrett County Economic Development Department; a principal department of County government.

• Information – Kim Durst, Garrett County Economic Development at kdurst@garrettcounty.org or 301-334-1992.

**ADDITIONAL RESOURCES**

- **Maryland Business Relief Wizard** – helps you find the right disaster assistance programs for you
  [https://reliefwizard.net/](https://reliefwizard.net/)

- **Small Business Development Center (SBDC)**
  Sandy Mehalko, Director of SBDC at Frostburg State University
  [smmehalko@frostburg.edu](mailto:smmehalko@frostburg.edu)

- **Restaurant Employee Relief Fund**
  [https://rerf.us/](https://rerf.us/)

- **Bartender Emergency Assistance Program**
  [https://www.usbgfoundation.org/beap](https://www.usbgfoundation.org/beap)
Garrett County Chamber of Commerce Updates & Resources

www.visitdeepcreek.com/coronavirus-updates-toolkit

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