

Federal Aid Information for Palmer Residents and the Business Community

NOTE: An applicant may receive an EIDL Loan and a loan from the Paycheck Protection Program as long as the basis for the loans are different.

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law by the President on March 27, 2020, allocating \$349 billion to small businesses and private, non-profits through multiple relief programs administered by the U.S. Small Business Administration (SBA).

- Economic Injury Disaster Loan Program
- Paycheck Protection Program

Economic Injury Disaster Loan Program

Available to small businesses to cover economic injury resulting from the disaster.

Provides small businesses with working capital loans of up to \$2 million with an interest rate of 3.75% and a maximum 30-year term.

EIDL Loans are processed directly through the SBA

Applicants may request a loan advance of up to \$10,000. Funds will be made available within three (3) days of a successful application, and this loan advance will not have to be repaid. This advance may be available even if applicants were declined or still pending. Current applicants must fill out a new application even if a previous EIDL application was submitted. Applying for the advance will not impact the status or slow the existing application. Business owners can apply at: <https://disasterloan.sba.gov/ela/>

Paycheck Protection Program

The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. Highlights of the Paycheck Protection Program (PPP), authorized by the CARES Act, include:

Loans of up to \$10 million with an interest rate of 0.5%.

Small businesses with 500 or fewer employees—including nonprofits, veteran’s organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the

forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

PPP loans, unlike EIDL loans, are processed through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. You should consult with your local lender as to whether it is participating. A list of participating lenders as well as additional information and full terms can be found at <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources> (MGCC is NOT a participating lender.)

The program will be available retroactive from Feb. 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.

PPP loans will be available starting on Friday April 3, 2020. Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. We encourage you to apply as quickly as you can because there is a funding cap.

Business owners can complete the application here:

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Anyone needing help navigating the Paycheck Protection Program? Contact the Quaboag Valley Community Development Corporation at 413-967-3001

<https://www.qvcdc.org/>

Additional Information and Resources:

Pioneer Valley Planning Commission is offering additional information on program assistance at the following link:

<http://www.pvpc.org/content/resources-businesses-impacted-covid-19>

Local Restaurant Beer and Wine Sales:

Restaurants with on-premises alcoholic beverages licenses may sell beer or wine for off-premises consumption, provided that the beverages come in original sealed containers and accompany a food purchase made before midnight, with a limitation on quantity (1.5 liters of wine and 192 ounces of beer per transaction).