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The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), third in a line of stimulus bills, has been approved by both houses of Congress and signed by the President. As details continue to emerge, Philadelphia Insurance Companies wants to be sure our clients are aware of the immediate benefits provided by the CARES Act.

#### **What does it mean for my organization?**

- Emergency grants: An emergency grant of up to \$10,000 to provide funds for small businesses and nonprofits to cover immediate operating costs. These funds can be available within three days.
- Forgivable loans: The bill creates a new loan program within the Small Business Administration's (SBA) current Economic Injury Disaster Loan Program. It provides up to \$10 million per organization and expands eligibility.
- Relief for existing loans: A \$17 billion fund provides funds to cover six months of payments for organizations already using SBA loans.

#### **Is my organization eligible?**


- Non-profits including organizations eligible for Medicaid payments.
- Must have fewer than 500 employees to be forgivable.
- Loan funds must be used to make payroll and associated costs, including health insurance premiums, facilities costs, and debt service.
- The loan is forgiven if employers maintain employment between February 15th and June 30th, essentially turning it into a general operating support grant.

Mid-sized organizations (defined as having between 500 and 10,000 employees) can also find assistance through the newly created Industry Stabilization Fund. Unlike the above SBA loan program, it does not provide loan forgiveness, but does mandate interest rates stay below 2% and no interest would accrue or payments required for the first six months. It does require organizations taking out these loans to retain or rehire at least 90% of their employees at full compensation.

#### **How does my organization access these funds?**

The SBA's [COVID-19 resources website](#) has not yet been updated with the new information, but we suggest checking the site regularly for updates. We will also [update info on PHLly.com](#) as new information is provided.

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