

# Newsletter

## 504 Program COVID-19 Relief for Small Businesses

### SBA 504 Effective Rates for April 2020

25-year - 3.03% / 3.03% Refi ~ 20-year - 2.96% / 2.96% Refi ~ 10-year - 2.85% / 2.85% Refi

Congress has passed a \$2 trillion coronavirus relief/economic stimulus bill (the CARES Act). The Legislation includes the following provisions impacting the 504 Loan Program:

- \$17 Billion for SBA payment of borrower principal, interest, and fees for a 6-month period beginning with the next payment due, for 504 borrowers. This is not a deferment but is actual **debt forgiveness** on the 504 portion for the borrower. These SBA payments have been enacted by SBA automatically. There is a provision that states if a borrower is already on deferment, the CARES Act debt forgiveness payments will activate at the end of the deferment period. Loans made today, and within the next 6 months, will also have their principal, interest, and fees paid by SBA for 6 months starting with the first payment.
  - SBA's payments are automatic and will not apply a debit on the borrowers' ACH accounts. Borrowers who pay by check will have their checks mailed back to them.
- The permanent suspension of the interim final rule on the Express Loan Program and Affiliation Standards, thereby suspending the personal resources test (highlighted in our last newsletter).
- Borrowers are still able to request deferments on the 504 portion of the loan once the 6 months of automatic payments are over.

NWBDA is not authorized to process the Payroll Protection Program and will be referring applicants to their current lender for that program. The Paycheck Protection Program was also approved under the CARES Act. This program prioritizes millions of Americans employed by small businesses by authorizing up to \$349 billion toward job retention and certain other expenses.

This is an ever changing situation, and new programs, grants and rules are still being implemented and changed. We will do our best to continue relaying accurate information.

The NWBDA team wishes you well during these challenging times.

*Serving Washington, Idaho, Oregon and Alaska*

**SBA Tip: If an Applicant has an approved IRS Installment Agreement, we will need to verify that this Agreement is in place and the Applicant is current with all payments. SBA may ask for a copy of this Agreement and proof of current payments during the approval process.**

## **Keep Supporting Small Businesses**

Even with the many mandatory closures, you can still help support your local small businesses. Here are some examples:

- Purchase Gift Cards.
- Order Takeout or Delivery.
- Purchase Products Online.
- Refer People Directly.
- Take Online Classes.
- Post Positive Reviews .
- Don't Cancel Your Memberships.
- Offer Support Services.
- Opt for Local Businesses over Chains, when possible.

### **March's Loan Fundings**

NWBDA funded **6** new projects for the total amount of **\$12,531,694.81**

### **March's Loan Approvals**

NWBDA approved **6** new projects for the total amount of **\$11,976,631.00**

In the month of March, NWBDA helped **create 24 new jobs** in the local communities

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*Achieving BIG Dreams for SMALL Businesses*