

Financial Support for Qualifying Small Business and Non-Profits Impacted by the Coronavirus Outbreak

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While businesses of all sizes are feeling the adverse consequences brought on by the coronavirus outbreak, small businesses and non-profits, in particular, are acutely susceptible to immediate financial and operational hardships such as reduced cash-flow, temporary closures, supply chain disruptions or changed customer behaviors.

Federal, state and local governments have taken steps to provide financial relief to certain qualifying businesses impacted by COVID-19. Such packages are typically in the form of short-term loans, but with below market interest rates and other favorable terms that may be an attractive option to a small or non-profit business needing a financial stop-gap to weather the storm.

Some available alternatives are described below:

FEDERAL

The U.S. Small Business Administration (SBA) is offering Disaster Assistance Loans to small businesses impacted by COVID-19.

- Loans up to $2 million in funding for qualifying small businesses and private non-profit organizations impacted by the coronavirus outbreak.
- Loans may be used to pay fixed debts, payroll, accounts payable and other costs.
- The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- Offers long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

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- The deadline to apply for an Economic Injury Disaster Loan is December 17, 2020.

For more information, see SBA to Provide Disaster Assistance Loans for Small Businesses Impacted by Coronavirus (COVID-19).

STATE (MA)

The "Small Business Recovery Loan Fund", recently announced by the Baker-Polito Administration, is a $10 million loan fund to provide financial relief to small business and non-profit organizations affected by COVID-19.

- Provides emergency capital up to $75,000 to Massachusetts-based businesses and non-profits impacted by COVID-19.
- Must have under 50 full- and part-time employees.
- Loans are immediately available to eligible businesses with no payments due for the first 6 months.
- Fund is capitalized and administered by The Massachusetts Growth Capital Corporation (MGCC).

For more information, see Baker-Polito Administration Announces $10 Million Small Business Recovery Loan Fund.

LOCAL RELIEF FUNDS

The Worcester Regional Chamber of Commerce, in partnership with the North Central Massachusetts Chamber on microloans and is now offering emergency loans of up to $20,000 to small businesses negatively impacted by Covid-19. To qualify, businesses must be provide two years of tax returns and demonstrate a direct financial impact of coronavirus on the business.

For more information, see Daily Chamber Communication Focusing on the Impact of COVID-19. You may also contact Sandie Cataldo or Brendan Hannen at the North Central Chamber.

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