

To: Pike County Small Businesses
From: Pike County Economic Development Authority
Michael J. Sullivan, Executive Director
Subject: Pike County Small Business Assistance
Date: March 23, 2020

The Pike County Commissioners wanted me to render any possible assistance during this difficult time.

I. Here is the best item to respond to NOW:

There is one thing you should do right now for your company: make an application with the SBA loan at <https://www.sba.gov/disaster-assistance/coronavirus-covid-19#section-header-1> . This loan is described as, "***U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).***" (All of Pennsylvania became a "designated state" late last week.) These loans may be used to **pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.** The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

This is a long-term loan that can be for **as long as 30 years** and the amortization payback is terrific. This option is ready for you now and the sooner you apply, the sooner the resolution.

II. NOT yet passed in Congress but, it is expected to pass soon:

You should know that a second program is being discussed in Congress and COULD (Legislation has NOT been passed) allow for small businesses to apply for bank loans that equal 250% of the monthly expenses of the organization for payroll, rent and other specified expenses to keep the organization viable. You must spend this money on keeping employees and paying for benefits, etc. according to broadcast reports. Most interestingly, it has been reported BUT NOT CONFIRMED that the company **does not have to pay this sum back.**

I hope this is helpful. In the next days I will monitor the progress in Congress and advise you when the legislation has been passed and what the final details are. It should be soon.