

MA Loan and Recovery Programs for Small Business During COVID-19 Pandemic¹



Note: It is unknown whether state assistance provided in the form of grants or subsidies will positively or negatively affect business supports provided through Massachusetts or the U.S. Small Business Administration. As EEC becomes aware of any such effects, these materials will be updated and shared with providers.

I. MASSACHUSETTS OFFICE OF LABOR & WORKFORCE DEVELOPMENT BUSINESS SUPPORTS

The Executive Office of Labor and Workforce Development offers resources for businesses related to employee benefits and has a new [resource page](#). Programs include:

- **THE WORKSHARE PROGRAM:** [The WorkShare program](#), a tool to help employers avoid layoffs during a downturn – [read more about WorkShare](#).
- **THE RAPID RESPONSE PROGRAM:** [The Rapid Response program](#), which works closely with companies to avert layoffs and keep a skilled workforce engaged in the existing regional economy or industry; [read more](#) about how the Rapid Response Team can help businesses.

II. U.S. SMALL BUSINESS ADMINISTRATION (SBA) CARES ACT BUSINESS SUPPORT²

- **PAYCHECK PROTECTION PROGRAM:** [The Paycheck Protection Program](#) prioritizes millions of Americans employed by small businesses by authorizing up to \$349 billion toward job retention and certain other expenses. Note: the total amount of funding is capped and will likely be exhausted early based on the amount of applications processed already.

Small businesses and eligible nonprofit organizations, Veterans organizations, and Tribal businesses described in the Small Business Act, as well as individuals who are self-employed or are independent contractors, are eligible if they also meet program size standards. Under this program:

- Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll plus an additional 25% of that amount. Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.
- Applications are processed through an SBA participating lender, not SBA directly, so applicants should look for a lender in their area by clicking on [this link](#). It appears that it may be best for businesses to contact their current lenders first.
- [Click here](#) to learn more.

¹Disclaimer: The EEC is providing the enclosed information as a public service, but it is neither a legal interpretation nor does it constitute financial advice in any way whatsoever. EEC recommends that all agencies and individuals conduct their own research before they make any final decisions about whether or not to pursue or apply for benefit programs available

→ **ECONOMIC INJURY DISASTER LOANS AND LOAN ADVANCE:** In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.

The [SBA's Economic Injury Disaster Loan program](#) provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

To apply for a COVID-19 Economic Injury Disaster Loan [click here](#).

→ **SBA DEBT RELIEF:** The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis. Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to September 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

→ **SBA EXPRESS BRIDGE LOANS:** [Express Bridge Loan Pilot Program](#) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 on an emergency basis. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct [SBA Economic Injury Disaster loan](#).

If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

Terms:

- Up to \$25,000
- Faster turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan

Find an Express Bridge Loan Lender by connecting with your [local SBA District Office](#).

² Source: US Small Business Administration Website: Excerpted from <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
For more information about these small business supports offered by the SBA, see the Bipartisan Policy Center summary: <https://bipartisanpolicy.org/wp-content/uploads/2020/03/SBA-Assistance-CARES-Act-March-26-2020-BPC-and-CED.pdf>