



## **Mid-Council Partners: The following letter will be sent to all loan customers**

Dear Partners In Christ,

As many of you know, the CARES Act recently passed by Congress that provides financial assistance in the face of the COVID-19 pandemic includes an SBA loan provision. This Small Business Administration (“SBA”) provision offers \$349 billion in loans with preferred terms to assist for-profit and non-profit organizations during this challenging time. The specific program is the Paycheck Protection Program (PPP). Legal counsel for the denomination has reviewed this CARES Act and believes that churches do qualify to apply for these loans.

In order to apply you must go through a financial institution that is an SBA lender. The Presbyterian Investment & Loan Program is not allowed to be an SBA lender due to government restrictions. You may want to contact your local bank to see if they are an SBA lender or if they know of one in your area. A list of lenders in your area can be found on the [SBA website](#). In case you do not have sufficient information on the PPP loan program and the application process we have provided you with some resources that we believe are helpful.

The Treasury Department has published a list of resources which they recommend you read to keep up-to-date on the PPP. You may reach Treasury's resources through the following website:

<https://home.treasury.gov/cares> This website has an excellent summary of what is being offered and a direct link to the application. You can apply beginning

this Friday, April 3, 2020. There is a limit on the funds available so timing may be important. Here is a quick summary of the PPP:

- Loans are administered by SBA Approved Financial Institutions
- Loans are lesser of \$10 million or 2.5% times average monthly payroll costs incurred during the 12-month period prior to the loan date
- Calculations for seasonal and new business can vary
- Interest rate on residual loans is 4% or less
- Term of the loan is up to 10 years
- Deferral is 6 to 12 months (interest accrues during deferment)
- Prepayment is eligible
- 501(c) (3) nonprofit organizations are eligible
- Usage can be for payroll and related benefits, interest on mortgage payments, other debts, rents and utilities
- EIDL loans may not be refinanced into a PPP loan
- No collateral needed from church or its members
- No guarantees needed

Please also refer to the [denomination's legal counsel summary of the CARES Act](#). You will find information on the PPP in the first section of this CARES Act summary.

We recommend that you inform your presbytery of your congregation's intent to apply for PPP. For further information you should refer to the Department of the Treasury website or your SBA lender.

You remain in our prayers.

Sincerely,

James G. Rissler  
President & Chief Executive Officer  
Presbyterian Church (U.S.A.) Investment & Loan Program, Inc.