

Paycheck Protection Program Loan Information

Summary: Under the CARES Act, parishes may apply for an emergency SBA loan to keep the parish operating during COVID-19. Under certain circumstances, the loans may be forgiven in whole or in part.

Amount: The maximum loan amount is 2.5 times the average total monthly payroll costs.

Use: The loan funds can be used to pay payroll and associated costs, including health and retirement benefits, mortgage interest, rent and utilities.

Terms: The loan has a 1% fixed interest rate and matures in 2 years. Loan payments (if required) will be deferred for six months. No collateral or guarantee is required.

Fees: Neither the government nor lenders will charge fees for the loan.

Forgiveness: If the parish maintains employees for 8 weeks after the loan is originated, or rehires (that is, bring them back from furlough or lay-off) employees by June 30, the parish would be eligible to have their loan forgiven. At least 75% of the forgiven amount must be used for payroll, group health insurance, or retirement plan contributions of current employees and those who are rehired. **That is, the loan cannot be used to hire new employees.** A portion of the loan may be forgiven, and a portion required to be repaid if there is a reduction in the number of employees or if pay for any employee is significantly reduced during the 8 week period following loan approval.

Other Information:

A PDF copy of the loan application is attached. In the "Applicant Ownership" section, owners of 20% or more of the equity are none - that section can be left blank. However, **note that the answer to Question #3 is "YES"**. Addendum A must include the following very specific language (also see attached sample Addendum A):

The Applicant claims an exemption from all SBA affiliation rules applicable to Paycheck Protection Program loan eligibility because the Applicant has made a reasonable, good faith determination that the Applicant qualifies for religious exemption under 13 C.F.R. 121.103(b)(10), which says that "[t]he relationship of a faith-based organization to another organization is not considered an affiliation with the other organization...if the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion."

Paycor has developed a report to assist in obtaining payroll information for purposes of applying for the loan. A "job aid" with instructions for running the report is attached.

You must apply for the loan through an eligible lender. Most banks and credit unions are servicing their existing customers first. (Jolt Credit Union is NOT an eligible lender). To find out if your bank is an eligible lender go to: <https://www.sba.gov/paycheckprotection/find>

Steps to Take:

- 1) Calculate the requested loan amount using the attached spreadsheet - "PPP Loan Calculator.xlsx"
- 2) Obtain approval from Parish Finance Council to pursue loan application
- 3) Prepare PPP Loan Application through bank
- 4) Email Melissa Seeger mseeger@dioceseofsaginaw.org to notify that initial PPP loan application has been completed
- 5) Work with Parish Finance Council to complete questionnaire [To Be Provided by Diocese]
- 6) Email a copy of the completed loan application and Finance Council Questionnaire to jsills@dioceseofsaginaw.org or fax to Jane Sills at 989-797-6670.
- 7) Begin assembling documentation bank may need for finalizing Loan - "PPP Loan Checklist.xlsx"
- 8) Receive approval from Bishop's office BEFORE finalizing PPP loan
- 9) Work with bank to finalize loan

Please contact Melissa Seeger at mseeger@dioceseofsaginaw.org or 989-797-6642 with any questions regarding the PPP loan or the application.