Financial Assistance for Businesses & Individuals During COVID-19

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There are various local, state, federal, and commercial financial loans and solutions available for businesses and individuals during this time of COVID-19, including moratoriums on commercial and residential evictions. These financial solutions can support the health of your business and individual finances while you focus on staying healthy and safe.

AlvaradoSmith is committed to being a resource and support to our clients and community during this time. With that in mind, we have put together this COVID-19 related resource to help our clients lessen the financial impact of the crisis.

1. What financial assistance is the CITY OF LOS ANGELES offering to businesses?

City of LA Small Business Emergency MicroLoan Program: LA is providing microloans of $5,000 to $20,000 to cover working capital for businesses within the City of Los Angeles boundaries. There are no loan or application fees. The loan program will offer relaxed underwriting with no credit score minimum, a generous allowance to meet debt service, and a 100% Loan to Value ratio. Interest rate is either 0% for six months to one year, or 3% to 5% for a term of up to five years. Find information here – https://ewddlacity.com/index.php/microloan-program

2. What financial resources is the State of CALIFORNIA making available to businesses?

California IBank: The California Infrastructure and Economic Development Bank (IBank) offers loan programs for businesses affected by disasters in California. https://www.ibank.ca.gov/ The *California Small Business Loan Guarantee Program* and the *Disaster Relief Loan Guarantee Program* provide direct loans and loan guarantees up to $1 million. Financial Development Corporation (FDC) partners throughout the state can guarantee loans up to 95% of the bank loan sought to help businesses secure their loans. The

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FDCs work directly with lenders to underwrite loans for eligible businesses, which the California Small Business Financial Center (SBFC) guarantees once approved. Apply for a loan guarantee and get additional information from a participating Financial Development Corporation (FDC) here – https://www.ibank.ca.gov/publications/fdc/

IBank also has a *Jump Start Loan Program* providing microloans up to $10,000 with accommodations for disasters. Applications for the Jump Start loan must also be made to one of the FDC's. https://www.ibank.ca.gov/publications/fdc/

California Treasurer's Office: The CA Treasurer has a small business loan program with special disaster assistance called the California Capital Access Program for Small Businesses (CalCAP). The program encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing for start-up, expansion, or working capital needs. CalCAP is a loan loss reserve program that may provide up to 100% coverage on losses as a result of certain loan defaults making a lender more comfortable underwriting a small business loan. Participating lenders: https://www.treasurer.ca.gov/cpcfa/calcap/sb/institutions.pdf

3. What financial resources are available to EMPLOYERS in California?

Reduced Work Hours: Employers experiencing a slowdown in their business or services as a result of the coronavirus' economic impact may apply for the UI Work Sharing Program. This program allows employers to seek an alternative to layoffs — retaining their trained employees by reducing their hours and wages that can be partially offset with UI benefits. Visit Work Sharing Program to learn more.

Potential Closure, Layoffs: Employers planning a closure or major layoffs as a result of the coronavirus can get help through the Rapid Response program teams who will meet with the employer to discuss needs, help avert potential layoffs, and provide immediate on-site services to assist workers facing job losses. For more

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information *Rapid Response Services for Businesses Fact Sheet(DE 87144RRB) (PDF)* or contact your local America's Job Center of California[SM].

Tax Assistance: Employers experiencing hardship because of COVID-19 may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit state payroll taxes without penalty or interest. A written request for an extension must be received within 60 days from the original delinquent date of the payment or return.

4. What financial assistance is available to EMPLOYEES in California?

Sick, Quarantined: If you're unable to work due to having or being exposed to COVID-19 (certified by a medical professional), you can file a Disability Insurance (DI) claim. The one-week waiting period has been waived, so you can collect DI benefits for the first week you are out of work.

Caregiving: If you're unable to work because you are caring for an ill or quarantined family member with COVID-19 (certified by a medical professional), you can file a Paid Family Leave (PFL) claim. PFL provides up to six weeks of benefit payments to eligible workers.

School Closures: If your child's school is closed, and you have to miss work to be there for them, you may be eligible for Unemployment Insurance benefits. Eligibility considerations include if you have no other care options and if you are unable to continue working your normal hours remotely.

Reduced Hours: If your employer has reduced your hours or shut down operations due to COVID-19, you can file an Unemployment Insurance (UI) claim. UI provides partial wage replacement benefit payments to workers who lose their job or have their hours reduced through no fault of their own. One week waiting period waived.

Self Employed, Independent Contractor: The EDD Disability Insurance Elective Coverage (DIEC) program is for self-employed individuals, independent contractors, and employers who are not

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required to pay into State Disability Insurance (SDI) but want to be covered by Disability Insurance (DI) and Paid Family Leave (PFL). DIEC is funded through quarterly premiums. DI provides benefits when you are unable to work and lose wages due to you own non-work-related illness, injury, pregnancy, or childbirth. PFL provides benefits when you need to take time off from work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, registered domestic partner or to bond with a new child.

Taxes: The deadline for filing federal and California income tax returns and for paying those taxes has been moved back to July 15, 2020.

5. Is the US FEDERAL Government providing any financial assistance?

U.S. SBA Economic Injury Disaster Loan Program: The U.S. Small Business Administration (SBA) is offering low-interest loans for working capital of up to $2 million for both for-profit and non-profit businesses that are impacted by the coronavirus. For more information contact SBA's Customer Service Center at 1-800-659-2955 and by email at disastercustomerservice@sba.gov

Other SBA Loans: SBA provides a number of loan resources for small businesses to utilize when operating their business. For more information on the 7(a) Loan Program, Express Loan Program, Community Advantage Loan Program, Section 504 Loan Program, and Microloan Program and ways to connect with a lender visit: https://www.sba.gov/funding-programs/loans. Also, check SBA's Lender Match

Export Assistance SBA: SBA provides export loans to help small businesses achieve sales through exports and can help these businesses respond to opportunities and challenges associated with trade, such as COVID-19. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products. To learn more about SBA export loan programs, contact your local SBA Export Finance Manager or the SBA's Office of International

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Trade. See a list of participating export lenders.

- **Export Express Loan**: Export Express lenders can directly underwrite a loan without getting prior approval from the SBA, which allows a business to get capital quickly. Loans are typically approved within 36 hours and can be up to $500,000.
- **Export Working Capital Loan**: Export Working Capital loans allow small business owners to apply for loans in advance of finalizing an export sale or contract, giving exporters greater flexibility in negotiating export payment terms. These loans can be up to $5 million, and the turnaround time is usually five to 10 business days.
- **International Trade Loan**: International Trade loans help small businesses enter international markets and make investments to compete with other importers. These loans offer a combination of fixed assets, working capital financing, and debt refinancing with the SBA's maximum guaranty of 90 percent on the total loan amount. The maximum loan is $5 million.

Local Assistance: SBA works with a number of local partners to counsel, mentor, and train small businesses. The SBA has 68 District Offices, as well as the support provided by its Resource Partners, such as SCORE offices, Women's Business Centers, Small Business Development Centers and Veterans Business Outreach Centers. Use the SBA's Local Assistance Directory to locate the office nearest you.

6. Are COMMERCIAL Organizations and Banks offering any financial assistance?

Facebook Small Business Grants Program: Facebook is developing a program of cash grants and ad credits for eligible small businesses. More details will be announced shortly. https://www.facebook.com/business/boost/grants

Deposit at Banks That Exceed FDIC Deposit Insurance Limits: To determine if your deposit at a bank is covered by FDIC bank deposit

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insurance coverage, use the FDIC Electronic Deposit Insurance Estimator (EDIE) https://edie.fdic.gov/ If your deposits at a bank exceed the FDIC insurance coverage (currently $250,000 per depositor per FDIC-insured bank), talk to your bank about Market-Linked CDs that provide investment in CDs of multiple different financial institutions up to the FDIC deposit insurance limits. Interest rates are tied to the market and will likely be very low. E.g., https://www.fidelity.com/fixed-income-bonds/structured-products

Commercial Banks Offering Relief to Customers: The FDIC is encouraging banks to be understanding and work with customers seriously affected by COVID-19 related developments, including encouraging banks to allow customers to skip loan payments with no adverse consequences for the borrower, extend loan terms, and restructure loans. Check with your bank for details. Examples of relief being provided by some nationalized banks are below:

- **Ally Bank**: Ally Bank is waiving fees until July 16, 2020. Auto loan and mortgage payments can be deferred for up to 120 days without late fees, though finance charges and/or interest will continue to accrue. https://www.ally.com/coronavirus-response
- **Bank of America:** BOFA is offering deferred payments on auto and personal loans, mortgages and home equity loans, and refunds of late fees. https://about.bankofamerica.com/promo/assistance/latest-updates-from-bank-of-america-coronavirus
- **Chase Bank:** Chase is offering similar deferments of loan payments and waiver of fees on a case by case basis. https://www.capitalone.com/coronavirus/
- **CitiBank**: Citi is offering service fee waivers for businesses, credit increases on credit cards, waived penalties for early withdrawal of CDs, etc.
- **Wells Fargo**: WF has suspended property foreclosure sales, evictions, and involuntary auto repossessions. It is also offering fee waivers, payment deferrals, and expanded assistance for credit card, auto, mortgage, small business and, personal lending customers on a case by case basis.

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https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-announces-aid-customers-and-communities-impacted

Protection for Deposits at Banks That Exceed FDIC Insurance Limits: To determine if your deposit at a bank is covered by FDIC bank deposit insurance coverage use the FDIC Electronic Deposit Insurance Estimator (EDIE) https://edie.fdic.gov/ If your deposits at a bank exceed the FDIC insurance coverage (currently $250,000 per depositor per FDIC-insured bank), talk to your bank about Market-Linked CDs that provide investment in CDs of multiple different financial institutions up to the FDIC deposit insurance limits. Interest rates are tied to the market and will likely be very low. E.g. https://www.fidelity.com/fixed-income-bonds/structured-products

7. Is there a stay on COMMERCIAL AND RESIDENTIAL EVICTIONS in California during COVID-19?

Commercial, Residential Eviction Moratorium in LA: The Mayor of Los Angeles issued a temporary moratorium until March 31 and April 19, 2020 on evictions of tenants in all commercial and residential rentals, respectively, in the City of Los Angeles for non-payment of rent due to COVID-19 related reasons, including:

- Loss of individual or business income due to workplace closure or reduced hours because of COVID-19;
- Loss of income or childcare expenditures due to school closures;
- Health care expenditures stemming from COVID-19 infection of the tenant or member of the tenant's household who is ill with COVID-19;
- Reasonable expenditures due to government-ordered emergency measures;
- Additionally, there is a moratorium on no-fault evictions for residential evictions only through April 19, 2020.

Tenants are still obligated to pay lawfully charged rent. Tenants will have up to six (6) months following the expiration of the local emergency to repay any back rent due.

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Los Angeles County Eviction Moratorium: LA County announced a similar moratorium in unincorporated areas for non-payment of rent and no-fault residential and commercial evictions, starting retroactively on March 4 and through May 31. Tenants have six months after the end of the emergency proclamation to pay for lost rent.

California: Governor Newsom issued an executive order authorizing local governments to halt evictions for renters and homeowners, slow foreclosures, and protect against utility shutoffs, through May 31, 2020. https://www.gov.ca.gov/wp-content/uploads/2020/03/3.16.20-Executive-Order.pdf

As this is a fast moving topic, please note that this post is current as of March 26, 2020.

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