



## Maine Department of Economic & Community Development Resources for Maine Businesses Impacted by COVID-19 Pandemic

We strongly encourage businesses and consumers to contact your lending institution first. Many lenders are restructuring loans, delaying payments, etc. to help during this time.

### Federal

#### Paycheck Protection Program

- Zero Fee Loan of up to \$10 million
- Can be used for payroll and other costs associated with doing business
- Up to 8 weeks of the loan that was used for payroll and other business related costs will be forgiven if the business retains their employees at the current salary level.
- Loan principal and interest are deferred for up to a year.
- All borrowers fees are waived.
- Retroactive to February 15, 2020 so that employers can bring workers back that may have already been laid off due to economic hardship caused by COVID-19.
- A business that receives an Economic Injury Disaster Loan between January 31, 2020 and June 30, 2020 as a result of a COVID-19 disaster declaration is eligible to apply for a Paycheck Protection Program loan or the business may refinance their Emergency Injury Disaster Loan into a Paycheck Protection Program loan.
- The Emergency Injury Disaster Loan grant award of up to \$10,000 would be subtracted from the amount forgiven in the Payroll Protection Program.
- All current Small Business Administration 7(a) lenders are eligible lenders for the Payroll Protection Program.

#### U.S. Small Business Administration

##### Economic Injury Disaster Loans

- Up to \$2 million in assistance.
- Can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.
- Long-term repayments in order to keep payments affordable, up to a maximum of 30 years.

##### New Provision for Economic Injury Disaster Loans

- Small Businesses and non-profits that apply could be eligible for an emergency Economic Injury Disaster Loan Grant of up to \$10,000 within three days of application.
  - Grant does not need to be re-paid even if the business or non-profit is denied Economic Injury Disaster Loan.
  - Grant can be used to provide paid sick leave, maintaining payroll, meet increased production costs due to supply chain interruptions, rent or mortgage payments, and repayment of debt.
  - The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors, tribal businesses, as well as cooperatives and employee-owned businesses.
  - The Emergency Injury Disaster Loan Grant award of up to \$10,000 would be subtracted from the amount forgiven in the Payroll Protection Program.

##### Debt Relief for New and Existing SBA Borrowers

- The Small Business Administration will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months.
- The Small Business Administration will cover all loan payments to new borrowers who take out an SBA loan within six months after the President signs the bill.
- During the time that SBA borrowers are receiving the six months debt relief, they may apply for a Paycheck Protection Program Loan, however, the six months of SBA payment relief may not be applied to payments on the Paycheck Protection Program Loan.

**More Information:**

Phone: 1-800 - 659-2955 (TTY: 1-899-877-8339)

Email: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)

Website: [www.SBA.gov/disaster](http://www.SBA.gov/disaster)

Loan Application Link: <http://covid19relief.sba.gov/#1/>

## State

### Finance Authority of Maine (FAME)

**OLA @ 50%:** In partnership with our lending institutions, FAME would approve ANY OLA loan that comes through deemed "COVID-19" at a 50% insurance rate.

**FAME Direct Loan:** When borrower cannot obtain loan from lending partner, offers a decreased interest rate and decreased fee schedule

**FAME Direct Loan – SBA INTERIM:** While SBA disaster relief loans take 3 to 4 weeks to fund, FAME could essentially prefund their loan to get funds to Maine businesses sooner.

**More Information**

Phone: 1-207-623-3263 or 1-800-228-3734 (TTY: 207-626-2717)

Website: <https://www.famemaine.com/>

### State of Maine Loan Guarantee Fund

- Funded through Emergency Legislation
- Financial Authority of Maine (FAME), backed by the State of Maine, will guarantee loans to individuals made by banks and credit unions
- For Maine resident who is an employee, self-employed person, sole proprietor, "1099" worker, or other individual who has experienced a loss of income due to circumstances related to the novel corona virus known as COVID-19
- Allows bank or credit union to process loan requests more quickly, provides for no-interest loans, and means lending institution cannot turn down request based on the creditworthiness of individual applicant

**More Information**

1-800-872-3838 or 1-800-541-5872 (outside of Maine)

Email: [business.answers@maine.gov](mailto:business.answers@maine.gov)

The State is marshalling resources and options including flexibility through the Unemployment system and financial assistance through FAME loan guarantees for companies of all sizes. The situation is very fluid. Check the Governor's website often for updates. <https://www.maine.gov/governor/mills/covid-19>

### Supporting local partners

**Maine SBDC** – Business advisors located throughout the state provide free, confidential advice. You can request advising on the website. <https://www.mainesbdc.org/>

**SCORE** – A free, volunteer-led service, SCORE has both general business mentors and subject area experts at chapters around the state. <https://www.scoremaine.org/>

### Questions?

We are happy to field questions through Business Answers at 1-800-872-3838 or via email at [business.answers@maine.gov](mailto:business.answers@maine.gov).

