



CITY OF SOUTH PORTLAND

P. O. Box 9422
496 Ocean Street
South Portland, Maine 04116-9422

William J. Mann
Economic Development Director

ECONOMIC DEVELOPMENT DEPARTMENT

Government Assistance Available to Businesses During COVID-19 Crisis

Small Business Administration (SBA):

Paycheck Protection Program

Total Available: \$350 Billion

Loan to Grant Program capped at \$10 Million, and based on two months of average monthly payroll costs plus 25% of that amount.

Runs through June 30, 2020.

Applications Starting:

Small businesses and sole proprietorships can start applying April 3, 2020; independent contractors and self-employed can start applying April 10, 2020 all with up to 500 employees.

Discuss with your local lender for more information.

You may also go to: www.sba.gov and

<https://home.treasury.gov/system/files/136/PPP%20Borrower%20Information%20Fact%20Sheet.pdf>

Economic Injury Disaster Loan (EIDL) Program & Emergency Grant of \$10,000:

Loan/Grant Program: Up to \$2 Million that can be used for fixed debts, payroll, accounts payable, and others bills that can't be paid because of the crisis impact - with an Emergency Grant within 3 days of application for \$10,000.

Application: When you apply for an EIDL, you can request an emergency \$10,000 grant, which can be provided within 3 days of receiving your application, which grant does not have to be repaid even if your application for a loan is denied. (You can still apply for the Paycheck Protection Program loan, however the amount forgiven will be decreased by the \$10,000 grant.)

Telephone (207) 767-7603 • Fax (207) 767-2197
wmann@southportland.org - www.southportland.org

Interest Rate: 3.75% for small businesses (under 500 employees) without credit available elsewhere; businesses with credit available elsewhere are not eligible. Non-profit interest rate is 2.75%.

Loan Term: Terms are determined on case-by-case basis and can be up to 30 years for repayment. For more information visit www.sba.gov

SBA Additional Programs include Debt Relief, and an Express bridge Loan of up to \$25,000 to small businesses who have an existing business relationship with SBA. Please visit www.sba.gov

Finance Authority of Maine (FAME)

COVID-19 Relief Interim SBA Finance Loan Program provides FAME Direct Loans of up to \$100,000 with special terms available to eligible borrowers who provide proof of commitment for SBA financing. The FAME loan would be provided to the business owner until the SBA loan is funded. The SBA loan would then pay-off the FAME loan. Once a business has an approval from SBA, apply for the FAME “bridge” loan, which could be turned around within 48 hours.

<https://www.famemaine.com/business/programs/covid-19-relief-loan-programs/covid-19-relief-interim-sba-finance-loan-program>

COVID-19 Relief Business Direct Loan Program provides FAME Direct Loans of up to \$50,000 with special terms available to Maine-based businesses experiencing interruption or hardship due to the COVID-19 pandemic. (Business must demonstrate that other sources of capital have been exhausted.) Interest is WSJ Prime Rate, currently 3.25, minus 1%; 12-month term, which can be extended if necessary. <https://www.famemaine.com/business/programs/covid-19-relief-loan-programs/covid-19-relief-business-direct-loan-program/>

The COVID-19 Relief Consumer (and Sole Proprietors) Loan Program provides no-to-low-interest consumer loans through a loan guarantee program involving Maine’s banks, credit unions, and FAME. Interested borrowers should contact their local bank or credit union (not FAME) to see if the lender is offering this program and to apply. The program offers loans of up to \$5,000 (minus any unemployment benefits received by borrower). A borrower may apply for up to three (3) loans, one per each 30-day period. These loans have a 90 grace period and 180 days to start repaying without interest.

<https://www.famemaine.com/business/programs/covid-19-relief-loan-programs/covid-19-relief-consumer-loan-program/>

Banks

For businesses that already have a loan/and or a line of credit with a bank:

Communicate with your banker ASAP and let him/her know if you need assistance now or think you’ll need assistance in the near future. If helpful, consider asking for the following:

Loan: Two to three month loan payment deferral or six months of interest only;

Line of Credit: An increase to an existing line of credit.

FOR MORE INFORMATION please contact the websites noted above. We will be updating this information on the City's website and Social Media accounts regularly, as needed.

You may also email the City of South Portland Economic Development Department (EDD) at bizsupport@southportland.org with any questions.