COVID-19 GRANTS, LOANS & ADVANCE FUNDING OPPORTUNITIES FOR NOT-FOR-PROFIT PROVIDERS

(Version 06.02.20)

Ongoing federal legislation and regulatory actions have provided additional or accelerated funding that can be accessed by not-for-profit (NFP) service providers impacted by COVID-19. This funding takes the form of provider relief grants, relief from Medicare cuts, advance Medicare payments, Federal Emergency Management Agency (FEMA) grants, potentially forgivable small business loans and tax incentives. While the small business opportunities are aimed at organizations with 500 or fewer workers, there are certain nuances to this criterion. The Coronavirus Aid, Relief, and Economic Security (CARES) Act also targets significant funding for larger businesses although those programs are still being refined. Summary information on these opportunities is provided in the *Quick Reference Guide* below, which provides links to additional details in this document on each opportunity.

We encourage members to review the latest government and private sector guidance, LeadingAge National summaries and community sources such as financial institutions for more detailed information on these government programs. As additional state or federal funding opportunities become available or updates are made to these programs, we will revise this document. Similarly, we will continue to update private sector grant and loan opportunities as additional opportunities appear. **Please note that a separate index of programs from the Department of Housing and Urban Development (HUD) is provided beginning on page 11 of this document.**

Quick Reference Guide

Program Name	Type	Eligibility	Process	Comments
Medicare Sequestration Relief	Rate Adjustment	Medicare providers (SNFs, CHHAs, hospices, practitioners) and Advantage plans	No application needed. Automatic adjustments to FFS rates	Effective for claims dated May 1-Dec. 31, 2020
CARES Act Provider Relief Funding	Grant	Medicare providers including SNFs, CHHAs and hospices	$50 billion already paid to providers, attestations required	Total of $175 billion to support expenses or lost revenue due to COVID-19
Medicare Advance Payment	Cash Advance	Medicare providers including SNFs, CHHAs, hospices and practitioners	Apply to the Medicare contractor, National Government Services	Up to 3 months of advance Medicare payment and repay within 120 days. Suspended indefinitely as of 4/26/20
FEMA Public Assistance Program	Grant	Nursing homes, clinics, extended care, home health, senior centers	Apply to FEMA	Eligible costs must be directly related to new activities to protect public health and safety
Paycheck Protection Program	Forgivable Loan	NFPs with less than 500 workers qualify as small businesses	Apply to existing SBA lender or participating financial institution	Borrow up to 250% of average monthly payroll costs; loan payments deferred or forgiven
Federal Payroll Tax Deferral	Payment Delay	All employers eligible, but limited when a PPP loan is forgiven	No application or notification to IRS needed	Defer payment of employer share of Social Security tax, with repayment over two years
Paid Family and Sick Leave Refundable Tax Credits	Tax Credit	Employers with less than 500 workers that have paid these benefits	Claimed on tax return	Cost of leave time from 4/1-12/31/20. Refundable credit for NFPs
Economic Injury Disaster Loans & Emergency Advance	Loan with Forgivable Advance	Generally, NFPs with less than 500 workers qualify as small businesses	Apply through the SBA	Loans of up to $2 million with $10,000 being a quickly available, forgivable advance

Quick Reference Guide				
Program Name	**Type**	**Eligibility**	**Process**	**Comments**
Aid for Existing SBA Borrowers	Bridge Loans/ Loan Relief	Existing and qualified SBA borrowers	Apply for bridge loans through SBA lender; automatic loan relief	Express Bridge Loans of up to $25,000, and automatic debt service payment on certain loans
Aid for Existing FHA-Insured Borrowers	Loan Relief	Existing FHA Section 232 insured nursing home/ assisted living borrowers	Apply to FHA for forbearance; work with lender on other payment flexibilities	Debt service relief by suspending deposits to replacement reserve, and using reserve funds for debt service payments
Main Street Lending Program	Flexible Loan	For-profit businesses with less than 15,000 employees or $5 billion in revenues	Apply to eligible financial institutions	Federal Reserve considering a separate approach aimed at NFP businesses
Local Private Sector Programs	Grants and Loans	Vary based on organization's criteria	Apply to private organizations and charities	Grants and loans of various amounts for specified purposes

Funding Program Overviews

A. Medicare Sequestration Relief

Section 3719 of the CARES Act temporarily suspended the two percent payment reduction currently applied to all Medicare Fee-For-Service (FFS) claims due to sequestration, a federal budgetary cut that has been in place since 2013.

What: This means that the 2 percent payment reduction that would have otherwise been applied to Medicare payments to providers and managed care plans during this timeframe will not be applied. However, to compensate for the suspension, the sequestration provision will be extended by an additional year through the end of 2030. While providers will see the benefit of the provision in their FFS revenue, how and whether this will impact reimbursement provided by Medicare managed care plans may vary and may be governed by plan-provider agreements.

Who: All Medicare providers and Medicare Advantage plans subject to sequestration will see their payments increased to reflect elimination of the two percent cut.

When: This revision in payments will be made automatically for dates of service from May 1 through Dec. 31, 2020.

Additional Information: A *Medicare Learning Network* article provides a brief summary.

B. CARES Act Provider General Relief Funding

The CARES Act provides $100 billion to hospitals and other healthcare providers to be used to support healthcare-related expenses or lost revenue attributable to COVID-19 and to ensure uninsured Americans can get testing and treatment. Half of the funding (i.e., $50 billion) is being distributed formulaically as general relief to providers, with the remaining $50 billion reserved for more targeted relief. The Paycheck Protection Program and Health Care Enhancement Act signed into law on April 24th allocated an additional $75 billion for provider relief bringing the total to $175 billion.

Starting on April 10th, facilities and providers began receiving their share of the initial $30 billion distribution from this allocation, with another $20 billion distribution commencing on April 24th. The funding is a grant that does not need to be paid back provided recipients agree to specified terms and conditions, submit the required tax and expense information and use the funds for eligible COVID-related purposes.

What: The Department of Health and Human Services (HHS) made an initial distribution of $30 billion to Medicare providers based on the Medicare FFS payments each provider received in 2019. The second wave distributes $20 billion and is calibrated to ensure that the share of the total $50 billion each provider receives (i.e., the $30B distributed initially plus the $20B of second wave funding that started on April 24th) is based on net patient revenue reported on 2018 Medicare cost reports. The sum of the two relief payments should approximate two percent of the net patient revenue for all payers that a provider reported on its 2018 Medicare cost report.

Who: All facilities and providers that received Medicare FFS reimbursement in 2019 and filed a 2018 Medicare cost report are eligible for this distribution, including nursing homes, Certified Home Health Agencies, hospices and hospitals.

When: First wave electronic payments began on Friday, April 10th. The second wave began on April 24th. Funds should appear in a provider's bank account, customarily the same one into which an organization receives Medicare payments, via Optum Bank and should be identified as HHSPAYMENT or HHS STIMULUS in the payment description. Providers are being paid via Automated Clearing House account information on file with UnitedHealth Group or the Centers for Medicare & Medicaid Services (CMS). Providers that receive a paper Medicare check were issued a paper check for this funding as well.

Additional Information: HHS information on the program is available here. Recipients of the funds are required to agree to terms and conditions within 30 days and to also submit tax and COVID-related expense information into an HHS portal. Recipients must agree to submit the following information:

1. Program Service Revenue as submitted on federal income tax returns;
2. Estimated revenue losses in March 2020 and April 2020 due to COVID-19;
3. A copy of the provider's most recently filed federal income tax return; and
4. A listing of the tax identification numbers (TINs) of any of the provider's subsidiary organizations that have received relief funds but that DO NOT file separate tax returns.

Recipients will also eventually be required to submit documentation verifying that the funds were used for health care-related expenses or lost revenue attributable to COVID-19.

While the terminology used in the three resources is not always consistent, key information on the funding is provided in an HHS FAQ document as well as through an educational on-line guide. The HHS Provider Relief website that describes the various allocations is available here. LeadingAge National has also developed a set of helpful FAQs that include key considerations for members.

C. *Medicare Advance Payment*

The CARES Act has authorized CMS to provide accelerated or advance payments during the period of the public health emergency to a Medicare provider or supplier that submits a request to the appropriate Medicare Administrative Contractor (MAC) and meets the required qualifications. Please note that this is a cash flow relief provision only and must be paid back beginning 120 days after the advance payment is issued. **Effective April 26th, CMS is not accepting any new applications for the Advance Payment Program and will be reevaluating all pending and new applications for Accelerated Payments in light of the direct payments made available through CARES Act Provider Relief Funding.**

What: The opportunity allows Medicare providers to request up to three months of Medicare payment in advance based on their historic Medicare FFS claims. This advance payment does not impede providers from continuing to receive payment on submitted claims.

Who: The program targets Medicare Part A and/or Part B providers that meet the required qualifications of having billed Medicare in the last 180 days, not being in bankruptcy, not being under active medical review or program integrity investigation and having no delinquent Medicare overpayments.

When: If the program is resumed, providers would apply using the application posted on the National Government Services (NGS) Medicare website. The MAC would typically issue payment within seven days of receiving the request. Most providers must begin repaying the advance 120 days from the date payment is issued (which will be an automatic process that will intercept Medicare payments), and repayment in full is required after 210 days (i.e., seven months). The repayment balance is not subject to interest until thirty days after the end of the repayment period, at which time interest begins to accrue at the prevailing rate set by the Treasury Department, which is currently 10.25 percent.

Additional Information: CMS's original announcement contains step-by-step instructions for completing and submitting an application. The simple application form requires only Name, Address, Provider Number, National Provider Identifier (NPI), contact information, the amount being requested, and an authorized signature. Submission emails are listed on the form. CMS's April 26th announcement suspending the program is available here.

Although the NGS advance request form suggests that "providers are required to also submit, on their organization's letterhead, a detailed explanation of the system issue they are experiencing; specifically, whether the issue is CMS related or due to the provider's internal systems issue," MAC staff have clarified that a brief letter or email statement indicating that the request is related to the COVID-19 emergency is sufficient. Those taking advantage of the opportunity should be aware, based on current program requirements, that their regular Medicare payments will be automatically intercepted to repay the advance beginning 120 days after receipt of the advance payment.

D. FEMA Public Assistance Program

On March 20, 2020, New York State received a major disaster declaration (DR-4480) from FEMA for the COVID-19 pandemic, making FEMA Public Assistance (PA) funding available for Category B emergency protective measures. The New York State Department of Homeland Security and Emergency Services (DHSES) is responsible for administering the program and working with applicants to submit requests for FEMA funds. DHSES has been holding several virtual applicant briefings to discuss FEMA funding that may be available under this disaster declaration. These briefings are ongoing, and the slides are posted along with notes. Eligibility guidelines for NFPs are posted on the DHSES website. To receive funding, DHSES and FEMA must determine that the applicant, facility, work and associated costs are eligible for FEMA reimbursement. FEMA pays after all other sources of assistance have paid.

What: The FEMA PA Program provides funding to eligible applicants for certain costs incurred for response and recovery activities as a result of the declared emergency**.** Eligible work is limited to the

FEMA Category B measures which may include virus testing, medical supplies and equipment, shelters or emergency care, provision of food, water, and other essential needs, security for temporary facilities and other activities. Overtime labor costs and hazard pay, emergency medical transport, related fringe benefits and certain administrative costs associated with the required work may also be reimbursed. For costs to be eligible, they must be incurred within the approved period of performance. For Category B projects, the approved period of performance for this disaster is Jan. 20 – Sept. 19, 2020 (subject to possible extension).

Who: Along with local governments, eligible applicants include critical private NFPs (e.g., nursing homes, clinics) and essential non-critical private NFPs (e.g., community centers, senior citizen centers).

When: While there is currently no deadline for the application, DHSES highly recommends that applicants submit their requests for PA as soon as possible, so they can be reviewed and forwarded to FEMA for their review and approval. FEMA is expected to process award applications on a rolling basis until they have exhausted available funding.

Additional Information: Information on the program, along with the webinar are posted on the DHSES disaster recovery webpage. The first step is to create a FEMA Grants Portal Account linked from the same site. FEMA is making an application template available and is holding grants portal webinars for applicants on an ongoing basis on account set up and requesting PA. There are strict guidelines governing the activities that may be eligible for funding, and providers should become familiar with those and seek assistance from DHSES in answering questions that they may have. Eligible costs must be directly related to new activities performed to protect public health and safety; increases in operating costs to perform the customary mission of the organization alone are insufficient.

E. Paycheck Protection Program

The Paycheck Protection Program (PPP), a forgivable loan program administered through the Small Business Administration (SBA), was enacted in the CARES Act and began accepting applications April 3rd. It is designed to provide a direct incentive for small businesses (generally 500 employees or fewer), including NFPs, to keep their workers on the payroll. Organizations work with their local lenders to borrow up to 250 percent of their average monthly payroll up to $10 million. While PPP was temporarily suspended due to the depletion of funds, the Paycheck Protection Program and Health Care Enhancement Act signed into law on April 24th allocated an additional $310 billion to the program which again began accepting applications on April 27th. **Since that time, demand has slowed considerably and there is over $120 billion in funding authority currently available.**

What: A forgivable loan program allowing small businesses to borrow up to 250 percent of their average monthly payroll costs (averaging payroll costs for each month in the year preceding the loan date). Loan payments will be deferred for six months and no collateral or personal guarantees are required. Neither the government nor lenders will charge fees. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. A fact sheet outlining the criteria for loan forgiveness is available here. This loan has a maturity of 2 years and an interest rate of 1 percent.

Who: NFP organizations with fewer than 500 total workers (including part-time and occasional employees) are eligible to apply. The SBA and the Treasury Department PPP Frequently Asked Questions document (most recently updated on May 27th) indicates that businesses can be eligible borrowers even if they have more than 500 employees, as long as they satisfy the existing statutory and regulatory definition of a “small business concern” under the Small Business Act. Under the Act; however, a “small business concern” must be organized as a for-profit business. Another consideration in determining eligibility is that the qualifiers take into account certain affiliated entities. Providers should review and understand the SBA's rules governing NFP affiliations for this program and may want to seek professional legal guidance.

When: Lenders began processing loan applications as early as April 3, 2020. The PPP will be available through June 30, 2020. The speed of the loan process is influenced by the lending institution. The program was temporarily suspended due to fund depletion but began accepting applications again on April 27th. Due to high demand for the program, interested members should apply as quickly as possible.

Additional Information: Eligible businesses can apply through any existing SBA 7(a) lender or through any participating federally insured depository institution, federally insured credit union or Farm Credit System institution. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. Consult with your local lender as to whether it is participating in the program. Initial indications are that members have worked successfully with community banks.

- LeadingAge National has provided an overview of the program and a focused discussion on the affiliation rules.
- SBA information is here and program FAQs (updated April 8th) are available here.
- If you wish to begin preparing your application, you can download a copy of the PPP borrower application form to see the information that will be requested from you when you apply with a lender.
- FAQs for faith-based organizations participating in PPP or EIDL are available here.
- The SBA and Department of the Treasury issued loan forgiveness guidance on May 22nd. The forgiveness application is posted on the Treasury Department website and LeadingAge National has provided a summary of the guidance.

F. Federal Payroll Tax Deferral

Section 2302 of the CARES Act allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government for their employees. The deferred employment tax can be paid over the next two years—with half of the required amount to be paid by Dec. 31, 2021 and the other half by Dec. 31, 2022.

What: To enhance cash flow so that businesses can better maintain operations and payroll, the Internal Revenue Service is implementing a provision in the CARES act allowing deferral of payment and deposit of the employer's share of the 6.2 percent social security portion of Federal Insurance Contributions Act (FICA) and Railroad Retirement Tax Act (RRTA) taxes for deposits that are otherwise due to be made for the period March 27th through Dec. 31, 2020. Under this deferral, employers would have one year (i.e., by Dec. 31, 2020) to pay the first 50 percent of the liability and an additional year (i.e., by Dec. 31, 2022) for the remaining 50 percent of the liability. This initiative does not apply to the employee's share of Social Security tax or the employee or employer's share of Medicare taxes.

Who: All employers are eligible. However, if an employer receives a loan under the PPP (see Section E above), they may not defer the deposit and payment of the employer's share of social security tax due on or after the date that the PPP loan is forgiven.

When: No application or special election is required to take advantage of this relief. Internal Revenue Service (IRS) Form 941 "Employer's QUARTERLY Federal Tax Return" will be revised for the second calendar quarter of 2020. The IRS will soon provide information to instruct employers on how to reflect the deferred deposits and payments otherwise due on or after March 27, 2020 for the first quarter of 2020 (January – March 2020).

Additional information: IRS Notice 20-22 and an IRS FAQ provide additional details. If an employer uses a third-party payroll agent to deposit employment taxes on its behalf and directs the agent to delay payments of the employer portion of Social Security tax as allowed by the Act, the employer retains responsibility to ensure that the deferred taxes are paid by the due dates. Therefore, any such employer should work with its payroll provider to implement this program.

G. *Paid Family and Sick Leave Refundable Tax Credits*

The Families First Coronavirus Response Act (FFCRA) became effective on April 1, 2020, and the U.S. Department of Labor (DOL) issued a temporary rule on two programs created by the Act. The Emergency Paid Sick Leave Act (EPSLA) entitles eligible employees to take up to two weeks of paid sick leave if the employee is unable to work due to specific COVID-19-related reasons. The Emergency Family and Medical Leave Expansion Act (EFMLEA) allows eligible employees to take up to 12 weeks of family and medical leave, 10 of which are paid, for COVID-19 reasons. These programs apply only to employers with less than 500 total employees and may not apply to certain employers with less than 50 employees or to certain health care providers, based on DOL guidance.

DOLs' temporary rule broadly defines "health care provider" as anyone employed at any doctor's office, hospital, health care center, clinic, post-secondary educational institution offering health care instruction, medical school, local health department or agency, nursing facility, retirement facility or home health care provider. Employers of these health care providers may elect to exclude otherwise qualified employees from eligibility for EPSLA and EFMLEA.

What: To offset the cost associated with providing paid leave under these programs, the CARES Act provides a series of refundable tax credits to employers. The tax credits equal 100 percent of the qualified sick leave wages paid by such employer for each calendar quarter. The credits will be capped for leave wages paid under the EFMLEA at $511 per day, or $200 per day where the leave is to care for a family member or child, and under the EPSLA at $200 per day for each individual up to $10,000 in the aggregate. The IRS has provided guidance on how to determine and claim these credits.

Who: The FFCRA entitles eligible employers that pay qualified sick leave wages and qualified family leave wages to refundable tax credits. Tax-exempt NFP organizations that are required to provide such paid sick leave or expanded paid family and medical leave may claim the tax credits.

When: The leave provisions and opportunity period for tax credits will apply between April 1 and Dec. 31, 2020.

Additional information: This tax credit also includes the eligible employer's share of Medicare tax imposed on those wages and its allocable cost of maintaining health insurance coverage for the employee during the sick leave period (i.e., qualified health plan expenses). The eligible employer is not subject to the employer portion of Social Security tax imposed on those wages.

H. *Economic Injury Disaster Loans & Emergency Advance*

The Economic Injury Disaster Loan (EIDL) is an existing program administered by the SBA that has been expanded by the CARES Act. It allows small businesses (including NFPs) to apply for loans of up to $2 million with $10,000 being a quickly available, forgivable advance. The goal is to provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing as a result of the COVID-19 pandemic. It is similar to the PPP with a different focus; the PPP is aimed at assisting organizations to cover payroll for two months, while the EIDL covers wider operational expenses. In addition, the only forgivable amount under EIDL is the $10,000 advance. **While EIDL was temporarily suspended due to depletion of funds, the Paycheck Protection Program and Health Care Enhancement Act signed into law on April 24th allocated an additional $60 billion to the program. SBA has announced that it will resume processing EIDL Loan and**

Advance applications that are already in the queue on a first come, first-served basis and is currently accepting new applications on a limited basis only to provide relief to U.S. agricultural businesses. Further SBA announcements on new application opportunities will be made here.

What: An expansion of the EIDL program allows small businesses to apply for up to a $2 million loan specifically for economic injury suffered due to the declared disaster with $10,000 being a forgivable advance. The loan and advance may be used for payroll, rents or mortgages, or other operational costs. The interest rate for NFPs is 2.75 percent.

Who: NFP organizations with fewer than 500 total workers (including part time and occasional employees) are eligible to apply. The same affiliation rules appear to apply to this program as to the PPP (see Section E above).

When: The on-line loan application is accompanied by language suggesting that it takes two hours and ten minutes to complete. Applications are being accepted now through Dec. 16, 2020. The EIDL advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid. Whether an organization qualifies (or applies) for additional funding beyond the $10,000 advance does not impact the distribution of the advance. **As of April 28th, SBA was only processing existing applications and new applications for agricultural businesses. Future announcements on new application opportunities will be announced on the SBA's coronavirus disaster assistance webpage.**

Additional information: Applicants must complete a loan application form, a form requesting an IRS tax return transcript, a schedule of liabilities form and recent tax returns. For reference and to help prepare members considering a loan application, links to PDFs of needed forms are provided in a LeadingAge National article.

- The SBA has provided an overview of EIDL and LeadingAge National an article on the affiliation rules.
- The application and FAQs are posted on the SBA website.
- FAQs for faith-based organizations participating in PPP or EIDL are available here.

I. Aid for Existing SBA Borrowers

In addition to the programs above, the SBA is providing debt relief opportunities for borrowers. Information on SBA Express Bridge Loans for businesses that already have a relationship with an SBA lender is available here. SBA is also offering Debt Relief for principal, interest, and fees of certain 7(a), 504, and microloans.

What: The Express Bridge Loan Program allows small businesses that currently have a business relationship with an SBA Express Lender to access up to $25,000 quickly. These loans assist small businesses to overcome the temporary loss of revenue they are experiencing and can be term loans or used to bridge the gap while applying for a direct SBA EIDL (see previous section). As part of their debt relief efforts, the SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for six months, as well as the principal, interest, and fees of any new loans of these types issued before Sept. 27, 2020.

Who: Existing and SBA qualified borrowers can take advantage of these opportunities.

When: The Express Bridge Loan program is accessible through existing SBA express lenders, with details provided in the SBA Program Guide. The debt relief measures are supposed to occur automatically. Contact the SBA with any questions on automatic deferrals or the status of your organization's loan.

J. ***Aid for Existing FHA-Insured Borrowers***

While HUD instituted a formal loan forbearance program for insured multifamily mortgage loans in April (see COVID-19 HUD FINANCIAL ASSISTANCE OPPORTUNITIES section below) under the CARES Act, the ACT does not appear to include a similar forbearance option for healthcare mortgage loans. However, the Federal Housing Administration's (FHA's)Office of Healthcare Programs issued Questions and Answers for External Stakeholders which provides eligible borrowers with increased payment flexibility under the Section 232 and Section 242 mortgage insurance programs.

What: Even though HUD does not have statutory authority under the CARES Act to provide forbearance to all FHA-insured mortgagors, the FHA Lender and borrower can mutually agree to a forbearance, and request HUD's approval of the same. The Office of Residential Care Facilities (ORCF) will work with lenders on an expedited basis on these requests, and ORCF will facilitate various means for the borrower to avoid default including:

- Suspending monthly deposits into the replacement reserve through July 31, 2020, or longer if the authority to grant this benefit is extended. At the conclusion of the suspension period, the sum of such suspended payments must be paid into the reserves for replacement in equal monthly increments over the next 12 consecutive months;
- Using operating deficit escrow funds to make debt-service payments, subject to repayment provisions if any are included in the escrow agreement;
- Using debt-service reserves to meet debt-service payments, subject to repayment provisions, if any, contained in the escrow agreement;
- Using replacement reserves to meet debt-service payments required, so long as the reserve for replacement reserve account does not fall below $1,000 per unit.

Who: Existing FHA Section 232 borrowers (e.g., nursing homes and assisted living facilities) can take advantage of these payment flexibilities.

When: These payment flexibilities are currently available through June 30, 2020, Lenders are authorized to approve the above flexibilities for Section 232 insured facilities impacted by COVID-19, without the need for HUD review or approval, provided that HUD has not notified the Lender that the subject property is with ORCF's Risk Mitigation Branch. If the Lender has been notified that the project is with the Risk Mitigation Branch, then HUD approval is required.

K. ***Main Street Lending Program***

Provisions in the CARES Act include measures to provide assistance to eligible businesses, states and municipalities that incurred losses as a result of the pandemic. The Main Street Lending Program is aimed at small- and mid-sized businesses and will provide loans with deferred payments.

What: According to the Federal Reserve System, the Main Street Lending Program will enhance support for small and mid-sized businesses that were in good financial standing before the crisis by offering three types of 4-year loans. Principal and interest payments will be deferred for one year. Eligible banks may originate new Main Street loans or use the program to increase the size of existing loans to businesses.

Who: For-profit companies employing up to 15,000 workers or with revenues of less than $5 billion are eligible to participate in this program. While NFPs are not currently deemed eligible, the Fed indicates that they recognize "…the critical role that nonprofit organizations play throughout the economy and is evaluating a separate approach to meet their unique needs." Borrowers utilizing the PPP (See Section E above) may use the Main Street Lending Program, if they meet the eligibility requirements for both.

When: As of the date of this edition of the summary, the Main Street Lending Program is not yet active. The Federal Reserve and Secretary of the Treasury may further revise the program terms noted herein prior to implementation and currently indicate that a start date will be announced soon.

Additional information: While we await further word on NFP eligibility and other details, the Federal Reserve System webpage and the Federal Reserve Bank of Boston webpage provide updated information on the program including term sheets and forms/agreements for the lending options and an FAQ document. To be eligible, the borrowing must be an unsecured term loan made by an eligible lender to an eligible borrower that was originated on or after April 24, 2020. A borrower must attest, among other things, that it needs financing due to the pandemic, and that it will make reasonable efforts to use the loan to maintain its payroll and retain its employees during the term of the loan. In addition to 4-year maturities and one year deferral of principal and interest payments, these loans will have an adjustable rate of the London Interbank Offered Rate (LIBOR) plus 300 basis points, a minimum size of $500,000, a maximum of up to $200 million and no prepayment penalties.

L. Local Private Sector Programs

Financial assistance and grants for NFP organizations impacted by COVID-19 may be also available from private organizations and charities. For example, the New York Community Trust is providing grants and loans to NYC-based NFPs that are trying to meet the new and urgent needs that are hitting the city. Priority is given to NFPs addressing essential health care and food insecurity as well as arts and culture.

The NYS Health Foundation provides summary Guidance/Assistance for Nonprofits and Community Based Organizations, which includes a listing of current local grant opportunities. According to the Community Foundation Public Awareness Initiative, over 300 U.S. community foundations in all 50 states, plus the District of Columbia, have created relief funds to support those affected by COVID-19, including 19 foundations in New York State. NYNMedia published an article on March 19th, Who's funding New York nonprofits stretched by the coronavirus?, which identifies a number of groups deploying money to organizations helping New Yorkers through the health crisis.

NFPs may want to make sure that they are aware of potentially available local funding opportunities and charitable organizations in their communities. LeadingAge NY will add more resources under this category as additional opportunities are identified.

COVID-19 HUD FINANCIAL ASSISTANCE OPPORTUNITIES
(Version 06.02.20)

Quick Reference Guide				
Program Name	**Type**	**Eligibility**	**Process**	**Comments**
Moratorium on FHA Foreclosures and Evictions and Extension Deadlines	Foreclosure/ Eviction Relief	FHA-insured Single Family Mortgages	Recommended to contact loan servicer	HUD officials have made it very clear that they expect Congress to protect HUD-assisted households
Mitigation of Financial Impacts of COVID-19 in HUD Housing	Funding Flexibility	HUD housing with reserve or residual receipt funds	Pay for costs with reserve or residual receipt funds as necessary and permitted	Operating expenses can be used to cover reasonable and necessary costs, including supplies and extra staff hours
CARES Act Housing Relief	Rent/Mortgage Relief	HUD housing	Varies: automatically in effect for some, NOFA for others, contact federal office as needed; for PBRA, owners will receive an automated notification through TRACS/ARAMS stating that funds have been obligated on Housing Assistant Payment contracts – owners do not need to take any special actions to access these funds.	The CARES Act provides a wide array of relief both for housing providers and renters, and provides this relief in multiple ways; $800 million of the $1 billion approved for Project Based Rental Assistance (PBRA) will be spent during the week of June 1 to prevent, prepare for, and respond to COVID-19 through regular operations. A notice describing the allocation of the remaining CARES Act Housing Relief is forthcoming.
CARES Act: FHA Approved Multifamily Mortgage Forbearance	Mortgage Forbearance	FHA Approved Multifamily Mortgages	Submit an oral or written request to loan servicer	Other options are available in addition to forbearance. Program includes renter protections during forbearance

A. *Moratorium on FHA Evictions and Foreclosures and Extension Deadlines*

Evictions and foreclosures on properties secured by Federal Housing Authority (FHA)-insured Single Family mortgages are suspended for 60 days as announced by the HUD on March 18th. The moratorium applies to the initiation of foreclosures and to the completion of foreclosures in process. In addition, deadlines of the first legal action and reasonable diligence timelines are extended by 60 days.

B. *Mitigation of Financial Impacts of COVID-19 in HUD Housing*

In its COVID-19 FAQ for multifamily operators, HUD made clear that operating expenses can be used to cover reasonable and necessary costs, including supplies, cleaning services, and extra overtime hours for staff. Any costs that are related directly to safety or the procurement of preventative equipment are eligible costs for reserve or residual receipts funds as they are considered “project expenses.” Providers may also request to use reserves for non-eligible (non-capital) purposes such as debt servicing – this would need to be approved by the HUD field office which may need to see evidence of financial constraints and/or mortgage delinquencies. Reviews of such requests will be expedited.

C. ***CARES Act Housing Relief***

- The CARES Act includes funding for Project-Based Rental Assistance, Section 202, and Section 811 and will primarily be used to replace reduced tenant income that resulted from COVID-19. This funding will be triggered as tenants complete recertifications that demonstrate lower levels of income. The CARES Act also includes funding for Service Coordinators, but this will be subject to a Notice of Funding Availability (NOFA), and will therefore be a longer, more complicated process.
- A 120-day moratorium on evictions for nonpayment of rent in federal housing began on March 27th. This also includes a moratorium on the collection of late fees but does not include a moratorium for lease violations other than nonpayment of rent. Evictions will still be possible after the moratorium and tenants will be responsible for the 120 days of accrued rent.
- Immediate Assistance for Rural Development Tenant Vouchers:
    - If an individual has lost their job and is not using their maximum voucher amount, they may be able to have their voucher increased to the maximum amount. They should contact the Rural Development Voucher Program Office at (844) 857-5386 within the next 120 days.
    - Until July 25th, a resident cannot be evicted from his/her apartment for nonpayment of rent and no fees or penalties may accrue against the tenant for nonpayment of rent.

D. ***CARES Act: FHA Approved Multifamily Mortgage Forbearance***

HUD has implemented a forbearance protocol, laid out in Mortgagee Letter 2020-09, to provide multifamily borrowers with debt service relief if they are facing cash flow challenges due to COVID-19. The protocol is aimed at reducing paperwork and streamlining processing for multifamily borrowers, services, and lenders in line with the CARES Act. These guidelines went into effect on March 27, 2020 and will continue until the earlier of the termination date of the declared national emergency or Dec. 31, 2020.

Under the forbearance protocol, HUD recommends that borrowers seeking financial relief consider other measures to address cash flow challenges attributable to COVID-19 prior to seeking forbearance relief. In this regard, HUD indicates that they will review and quickly approve requests for suspension of Reserve for Replacement deposits, releases from the Reserve for Replacement or Residual Receipts account, or other measures to help borrowers make debt service and tax and insurance payments. Lenders are encouraged to work with borrowers on such measures.

Under the forbearance protocol, a multifamily borrower with an FHA insured mortgage loan that was current on its payments as of Feb. 1, 2020, may submit a verbal or written request for forbearance to the loan servicer affirming that the borrower is experiencing a financial hardship during the COVID-19 emergency. Upon receipt of the request, the loan servicer will document the financial hardship and provide forbearance on debt service payments for up to 30 days. Forbearance may be extended for up to 2 additional 30-day periods upon request by the borrower so long as the extension request is made during the covered period, and at least 15 days before the end of the forbearance period in effect at that time. The borrower has the option to discontinue the forbearance at any time.

A multifamily borrower that receives a forbearance may not, for the duration of the forbearance:

- Evict or initiate the eviction of a tenant from a dwelling unit located in or on the applicable property solely for nonpayment of rent or other fees or charges;

- Charge any late fees, penalties, or other charges to a tenant as described above for late payment of rent;
- Require tenants to vacate a dwelling unit located in or on the applicable property before the date that is 30 days after the date on which the borrower provides the tenant with a notice to vacate; or
- Issue a notice to vacate solely for nonpayment of rent or other fees or charges until after the expiration of the forbearance.