COVID-19 FINANCIAL ASSISTANCE OPPORTUNITIES FOR NOT-FOR-PROFIT PROVIDERS

(Version 10.6.20)

Ongoing federal legislation, federal/state regulatory and policy actions, and private sector initiatives offer various forms of financial assistance to 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, loan relief 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 to small and mid-size businesses, including NFPs. Summary information on these opportunities is provided in the *Quick Reference Guide* below, which includes 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 12 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 and Medicaid providers including nursing homes, home care and hospices; private pay assisted living	Over $120B of the funding already paid or committed; must apply/attest to use	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. Suspended indefinitely as of 4/26/20. Repayments start 1 year after receipt.
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

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Program Name	**Type**	**Eligibility**	**Process**	**Comments**
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. Funding for $10,000 forgivable advance was fully subscribed as of July 11th
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	NFPs with between 10 and 15,000 employees and up to $5 billion in revenues	Apply to eligible financial institutions	Federal Reserve has created two loan programs aimed at NFP businesses
New York Forward Loan Fund	Loan	NFPs with less than 20 FTEs and $3 million annual budget; housing with 50 or less units	Apply through a Community Development Financial Institution	Loans of up to $100,000 for working capital, 5-year term and interest fixed at 3%
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

Financial Assistance Program Overviews

A. *Medicare Sequestration Relief*

Section 3719 of the CARES Act temporarily suspended the two percent payment reduction 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 be governed by plan-provider agreements.

Who: All Medicare providers and Medicare Advantage plans subject to sequestration are seeing 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 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. The *Paycheck Protection Program and Health Care Enhancement Act* enacted on April 24th allocated an additional $75 billion for provider relief, bringing the total to $175 billion.

The Phase 1 General Distribution of $50 billion was made to eligible providers starting in April 2020 based on 2018 net patient revenue, with additional general and targeted distributions made in subsequent months to various provider types. These funding distributions are grants that do not need to be paid back provided recipients agree to specified terms and conditions, apply as needed, submit the required tax and expense information and use the funds for eligible COVID-related purposes. The aim of the general distributions is to deliver relief equaling 2 percent of annual patient revenue to all providers.

What: Beginning in April 2020, the Department of Health and Human Services (HHS) paid $30 billion in an initial Phase 1 General Distribution to Medicare providers based on 2019 Medicare FFS payments. A second wave of Phase 1 General Distribution payments totaling $20 billion was calibrated to ensure that the share of the total $50 billion each provider received equaled 2 percent of the net patient revenue for all payers from its 2018 Medicare cost report. In May 2020, SNFs were paid $4.9 billion in targeted distributions at a rate of $50,000 plus $2,500 per certified bed. The $15 billion Phase 2 General Distribution targeted Medicaid, Children's Health Insurance Program (CHIP) and dental providers as well as private pay assisted living/ACFs. A targeted nursing home infection control allocation distributed $2.5 billion to nursing homes at a rate of $10,000 plus $1,400 per certified bed in late Aug. and will distribute $2 billion based on performance measures through early 2021 (see Nursing Home Infection Control Distribution section of PRF FAQs for methodology). A Phase 3 general distribution is scheduled to distribute $20 billion to ensure all providers receive relief totaling 2 percent of their annual patient revenue and provide funding to behavioral health providers with any remaining fund aimed at providers with unreimbursed COVID-related losses. Applications being accepted here between Oct. 5 and Nov. 6.

Who: All facilities and providers that received Medicare FFS reimbursement in 2019 and filed a 2018 Medicare cost report were eligible for the Phase 1 General Distribution, including nursing homes, Certified Home Health Agencies, hospices and hospitals. The previously mentioned $4.9 billion distribution was targeted to certified SNFs. The $15 billion Phase 2 General Distribution is aimed at assisted living facilities, home care agencies, SNFs, hospitals, clinics and practitioners that billed Medicaid for services between Jan. 1, 2018 and Dec. 31, 2019 and did not receive at least two percent of their net patient revenues from the Phase 1 General Distribution (including providers that changed ownership in 2019 or 2020) as well as private pay assisted living providers. The Phase 2 General Distribution funding will be based on 2 percent of the provider's gross revenues times the percentage of gross revenues from patient care for calendar year 2017, or 2018 or 2019, as selected by the applicant based on submitted tax documentation. $2 billion in Infection Control incentive payments will be made to qualifying SNFs based on infection and mortality rates in late 2020 and early 2021. Any provider that received or was eligible to apply for previous relief funding distributions, as well as behavioral health providers and new providers that opened in Jan-Mar 2020, are eligible to apply for Phase 3 General Distribution funding.

When: The Phase 1 and 2 General Distributions have been fully paid, for the most part, as have the formulaic portions of SNF targeted funding. A CARES Act Provider Relief Fund Distribution Timeline is available on the HHS site here. **Providers can apply between Oct. 5 and Nov. 6 for Phase 3 General Distribution funding** through the portal available here.

Additional Information: HHS information on CARES Act Provider Relief funding is available here. HHS continues to update its Provider Relief Fund FAQ to include questions and answers related to all of the distributions (see the links at the top to locate relevant FAQs). Please see the section titled **How to Apply for Phase 3 General Distribution** on the HHS Provider Relief Fund website for detailed eligibility and application information. Each recipient of Provider Relief funding must confirm receipt of the funds and agree to the specific Terms and Conditions related to their distribution within 90 days of payment using the appropriate HHS attestation portal (Phase 2 and 3 General Distribution here; all other distributions here). Links to all of the Term and Condition documents are available here and HHS guidance issued in Sep. outlining reporting requirements for funding recipients is available here. The reporting system is scheduled to open Jan. 15, with the first reporting deadline set for Feb. 2021.

Medicare Advance Payment

The CARES Act 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. **Effective April 26th, CMS stopped 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. The Continuing Resolution signed into law on Oct. 1 extends the timeframe providers have to repay the advance.

What: The opportunity allowed 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 targeted Medicare Part A and/or Part B providers that met the requirements 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. Originally, the program required most providers to begin repaying the advance 120 days from the date payment was issued (an automatic process that intercepts Medicare payments) with full repayment due in 210 days (i.e., seven months). The provisions included in the Continuing Resolution singed into law on Oct. 1 extend repayment timeframes. **As a result, participants do not need to begin repayment until a full year from receipt of their advance. When recoupments start, they will be at a rate of 25 percent for 11 months, then increase to 50 percent for six months. Any balance remaining after 29 months will be subject to interest at a rate of 4 percent (instead of the originally envisioned 10 percent).**

Additional Information: CMS's original announcement contained step-by-step instructions for completing and submitting an application. The simple application form required only Name, Address, Provider Number, National Provider Identifier, contact information, the amount being requested, and an authorized signature. Submission emails were listed on the form. CMS's April 26th announcement suspending the program is available here. Any questions on the program can be addressed to NGS at 1-888-802-3898.

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.

C. 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 under "COVID-19 Public Assistance Applicants Brief Presentation". Eligibility guidelines for NFPs are posted on the DHSES Disaster Recovery webpage under "Request for Public Assistance (RPA)". 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: A new version of the FEMA Public Assistance Handbook was published June 1, 2020, and supersedes the 2018 version that FEMA and NYS DHSES have been relying during the pandemic thus far. It has been deemed retroactively in effect for all emergencies and major disasters declared between Aug. 23, 2017 and May 31, 2020 (including but not limited to the coronavirus pandemic) and will likewise be effective for all future emergencies and major disasters declared after June 1, 2020. The first step in applying is to create a FEMA Grants Portal Account. FEMA holds Grants Portal Training for applicants on an ongoing basis on account set up and requesting PA, and DHSES staff can assist with this as well. Strict eligibility guidelines apply, 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. DHSES has posted a frequently asked questions document which includes several important clarifications, as well as a document entitled FEMA Public Assistance and COVID-19 Testing on its webpage. LeadingAge NY hosted a webinar by DHSES on July 23rd, FEMA Public Assistance for Long Term Care Providers: COVID-19, DR-4480, for which the slides are posted.

D. 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. The deadline for applications was **Aug. 8, 2020**. Discussions are continuing among federal lawmakers over possible extension of the program, which has approximately $130 billion in unexpended funding authority available as of this writing.

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 charge fees. Loan forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Updated information on loan forgiveness is posted on the SBA's PPP loan forgiveness webpage. The unforgiven portion of loans issued prior to June 5, 2020 have a maturity of 2 years, while those issued after that date mature in 5 years. All loans have 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. For purposes of the 500-employee threshold, the SBA considers the total employment of the applicant in addition to the number of individuals employed by any affiliated individuals, entities or businesses. Providers should review and understand the SBA's rules governing NFP affiliations for this program and may want to seek professional legal guidance. The SBA applies four tests to determine whether a business has affiliated businesses/entities that must be considered when determining the total number of employees. Businesses and entities are affiliates of each other when one controls or has the power to control the other, or a third party/parties controls or has the power to control both. Affiliation based on ownership, management and identity of interest appear to be the three tests most relevant to LeadingAge NY members.

When: Lenders began processing loan applications in April 2020. **PPP applications can be filed until Aug. 8, 2020.** The speed of the loan process is influenced by the lending institution.

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.

- LeadingAge National has provided an overview of the program and a focused discussion on the affiliation rules. An article on the PPP Flexibility Act explains how federal legislation enacted in June creates more flexibility for borrowers around qualifying for loan forgiveness and use of the funds.
- The SBA PPP webpage provides a wide range of information on the program, and the SBA and the Treasury Department routinely update their PPP Frequently Asked Questions document.
- If you wish to begin preparing your organization's application, you can download a copy of the most current PPP borrower application form to see what will be requested when you apply with a lender.
- FAQs for faith-based organizations participating in PPP or EIDL are available here.
- The "EZ" version of the loan forgiveness application and accompanying instructions were posted on June 16th, and it appears many LeadingAge NY members should be able to use the new EZ application.
- The SBA and Department of the Treasury issued loan forgiveness guidance on May 22nd. The forgiveness application is posted on the Treasury Department website. PPP loan forgiveness FAQs were updated as of Aug. 11th.

E. *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 implementing this program.

F. *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.

G. *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. **On June 15th, SBA** resumed **accepting new EIDL and EIDL Advance applications from qualified small businesses and U.S. agricultural businesses.**

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 up to $10,000 (i.e., $1,000 per employee, up to $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 and the maturities of the loans are determined for each provider but can be up to 30 years. Although loans can be for up to $2 million under the law, SBA is reportedly limiting them to $150,000.

Who: NFP organizations with fewer than 500 total workers (including part-time and occasional employees) are eligible to apply. For this purpose, 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 for EIDL loans are being accepted now through Dec. 16, 2020. However, SBA announced on July 11th that the entire $20 billion of EIDL advance funding has been exhausted. SBA had resumed accepting new EIDL and EIDL Advance applications from qualified small businesses and U.S. agricultural businesses as of June 15th.

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.

H. 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.

I. 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 include a similar forbearance option for healthcare mortgage loans. However, the Federal Housing Administration's (FHA's)Office of Healthcare Programs has updated its Questions and Answers for External Stakeholders as of August 12, 2020, 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.

Lenders are authorized to approve the following types of transactions for Section 232 insured facilities impacted by COVID-19, without the need for HUD review or approval:

1. Provided the Replacement Reserve is funded to at least $1,000 per unit, suspend monthly deposits into the reserve through Sept. 30, 2020, or longer if the authority is extended. At the conclusion of the suspension, the sum of the suspended payments must be paid into the reserves for replacement in equal monthly increments over the next 12 consecutive months;
2. Use Operating Deficit funds to meet debt service payments (including required escrow and MIP payments), subject to repayment provisions, if any, included in the escrow agreement;
3. Use Debt Service Reserves to meet debt service payments (including required escrow and MIP payments); subject to repayment provisions, if any, included in the escrow agreement; and
4. Use Replacement Reserve accounts to meet debt service payment requirements provided the account balance does not fall below $1,000 per unit.

Borrowers/Operators must demonstrate, to the Lender's satisfaction, that their request is for a bona fide need resulting from the impacts of COVID-19.

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

When: The four payment flexibilities noted above are now available through Sept. 30, 2020. Lenders are authorized to approve them without the need for HUD review, provided the subject property is not bound by either a Master Lease or any type of guarantee agreement or with ORCF's Risk Mitigation Branch. If either circumstance is present, HUD approval is required.

J. 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 NFPs and will provide loans with deferred payments.

What: According to the Federal Reserve System, the Main Street Lending Program enhances support for small and mid-sized businesses and NFPs that were unable to access the PPP or need loan assistance in addition to the PPP and were in good financial standing before the crisis by offering various types of 5-year non-forgivable loans. Principal and interest payments will be deferred for two years. Eligible banks may originate new Main Street loans or use the program to increase the size of existing loans.

Who: The two available NFP programs are the Nonprofit Organization New Loan Facility (NONLF) and the Nonprofit Organization Expanded Loan Facility (NOELF). NFP organizations employing between ten and 15,000 workers or with revenues of less than $5 billion are eligible to participate in these programs. The NONLF allows loans of between $250,000 and the lesser of (i) $35 million or (ii) the borrower's average 2019 quarterly revenue. The NOELF is aimed at upsizing an existing term loan or revolving credit. The underwriting criteria for both programs require NFP borrowers to meet several criteria including, but not limited to: (1) 2019 operating margin (before interest, depreciation and amortization) of 2% or more; (2) current days cash on hand of 60 days of 2019 operating expenses; and (3) ratio of liquid assets to debt (counting the Main Street loan and any Medicare accelerated payments) of greater than 55%. Borrowers utilizing the PPP (See Section E above) may use the Main Street Lending Program, if they meet the eligibility requirements for both.

When: The Main Street Lending Program lending options for NFPs and small and mid-sized businesses are now fully operational and will remain available through at least Dec. 31, 2020.

Additional information: 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. These loans will have an adjustable rate of the London Interbank Offered Rate (LIBOR) plus 300 basis points, with no prepayment penalties. The current LIBOR 1-month and 3-month rates result in an overall interest rate of less than 3.5%.

The Federal Reserve System webpage and the Federal Reserve Bank of Boston's Information for Nonprofit Borrowers webpage provide updated information on the program including term sheets and forms/agreements for the lending options, an updated FAQ document and a recorded webinar on the program. The **Nonprofit Organization FAQs** were recently amended to reflect that the NONLF and NOELF are now operational. A total of 13 banks and credit unions in New York State are participating lenders in these NFP programs.

K. New York Forward Loan Fund

The New York Forward Loan Fund (NYFLF) is a new economic recovery loan program aimed at supporting New York State NFPs, small businesses and small landlords as they reopen after the COVID-19 outbreak and NYS on PAUSE. NYFLF is administered by Empire State Development. There is initial program funding of over $100 million, with 5 percent reserved for NFPs, 30 percent for small landlords and 65 percent for small businesses.

What: NYFLF provides working capital loans of up to $100,000 to small businesses, NFPs and small landlords as they reopen. The loans are not forgivable in part or whole and must be repaid over a 5-year term with the interest rate fixed at 3 percent. These loans are aimed at supporting businesses and organizations as they proceed to reopen and have upfront expenses to comply with guidelines (e.g., inventory, marketing, refitting for new social distancing guidelines) under the New York Forward Plan.

Who: To be eligible, NFPs must be organized as 501(c)(3) entities; employ 20 or fewer FTE employees; provide direct services to New Yorkers (e.g., day care services, senior services, etc.); have an annual operating budget of less than $3 million; have not received either a PPP or EIDL loan from the SBA; have suffered a direct economic hardship as a result of COVID-19 related social distancing policies and stay-at-home orders that materially impacted their operations; been in operation for at least 1 year; and be located in New York State. Qualifying landlords must own no more than 200 units with no more than 50 units at any single property, and the housing must either be located in a low or moderate income census tract or meet a rent test where property rents are affordable to tenants of low and moderate income.

When: Pre-applications for the NYFLF are now open. Priority will be given to industries and regions that have been reopened. NYFLF is not a first-come, first-served loan program. Applications will be reviewed on a rolling basis as regions and industries reopen.

Additional information: Empire State Development has posted a presentation and frequently asked questions on the program. Five Community Development Financial Institutions (CDFIs) will be processing pre-applications, and four organizations are offering assistance to potential applicants. To fill out a pre-application and match with a participating CDFI lender, visit nyloanfund.com**.**

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 10.6.20)

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 be notified 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 PBRA was spent during the week of June 1st to prevent, prepare for, and respond to COVID-19 through regular operations. A notice describing the allocation of the remaining CARES Act Housing Relief was released on July 23, 2020.
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.

COVID-19 Supplemental Payments: On July 23rd, HUD published guidance for accessing COVID-19 Supplemental Payments (CSP) for Project-Based Section 8, Section 202, and Section 811 communities. These one-time supplemental payments under the CARES Act are intended to help offset expenses for COVID-19 preparedness and response.

The Notice provides a method for owners to request payments at two tiers. The first tier is a standard base amount per property, including extra funds for senior housing and budget-based service coordinators. The second tier allows owners to request additional funding for "exceptional" COVID-19 costs. If an owner applies for tier two reimbursement but their request is not approved, they will automatically be considered for tier one funding.

The supplemental payments can cover additional cleaning and disinfecting, additional staff, PPE for staff and residents, and other expenses to help keep properties safe. "Hazard" pay will not be eligible for reimbursement. Additionally, these funds are not intended to be used to pay for either resident or staff COVID-19 testing.

The Housing Notice allows owners to submit payment requests for expenses incurred between March 27 and July 31, 2020. HUD has developed a CSP Request form (HUD Form 52671-E) for owners to use, and requests are due by August 5, 2020.

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 end 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.