



Dear Cape Ann Chamber of Commerce Members

All of us at the Cape Ann Chamber hope you and your families are safe and well during these uncertain times. Our team continues to support you -- working from home -- during this most challenging time. Please visit our web page here <https://capeannchamber.com/covid-19-updates/> where you will find a compendium of information on small business resources and continue to read for our COVID-19 email updates. For us to best serve you, we need to know what steps you are taking to manage through these current challenges, and to share this information with the community. Please continue to update us, and let us know how we can help you.

We fully appreciate the confusion around all the new programs resulting from the recently enacted federal economic stimulus package, the Coronavirus Aid, Relief and Economic Security (CARES) Act. We offer you the following consolidated business programs information and recommendations on steps you can take to address the impacts of COVID-19.

- 1. For your business:** Contact your local bank about the [Paycheck Protection Program \(PPP\)](#), designed to provide a direct incentive for small businesses to keep your workers on the payroll; then next consider an [Economic Injury Disaster Loan \(EIDL\)](#); then next to Express Bridge Loans - [Express Bridge Loan](#) - and then to Debt Relief for existing and future SBA 7a, 504 and microloan.

**Borrowers can apply for BOTH an Economic Injury Disaster Loan and the Paycheck Protection Program loan. However, the PPP and EIDL funds cannot be used for the same purpose.** The PPP loan must be used for payroll with a minimum of 75% of the funds received for it to be eligible for a forgivable loan and the remaining 25% may be used for different purposes (mortgage interest, rent, utilities, etc). Borrowers who accept both loan funds should document the uses of the funds. If your EIDL was used for payroll costs, your PPP loan must be used to refinance your EIDL. If you are applying for both, you can accept PPP first – then decide whether or not to close on your EIDL approved loan.

- a) More on the Paycheck Protection Program (PPP):** The PPP was just activated on April 3 and it has a two year maturity with a 1% interest rate, for the period Feb. 15 – June 30 2020, see [application form here PPP borrower application form](#). You can borrow up to 2.5 times your average payroll costs to cover a variety of qualified costs including: compensation, health care, mortgage or rent, utilities, etc. Debt service can be deferred for up to six months, and **most importantly, all or a portion of the loan may be forgiven on the qualified costs.**
- b) More on the Economic Injury Disaster Loan (EIDL):** The EIDL has a maximum loan amount of \$2M, that is deferrable for up to 12 months, at a 3.75% interest rate (2.75% for non-profits). There is an up to **\$10,000 advance that is FORGIVABLE** even if the grantee is subsequently denied for the EIDL. It can be used to provide paid sick leave to employees, maintain payroll, meet increased production costs, or pay business obligations like meeting your debt obligations, rent, and mortgage payments. EIDL Advances will start to be distributed the first full week in April, and approval amounts are based on \$1000 per employee up to the \$10,000 max. Note that if you did not apply through the streamlined process which started the end of March, you should do so here [Streamlined Application Process/](#). You will not lose your place in queue with your original EIDL loan application.
- c) Express Bridge Loan (EBL):** if you need additional near term funding, contact your bank about the SBA EBL Pilot Program. The Program authorizes SBA Express Lenders to provide expedited SBA-

guaranteed bridge loan financing on an emergency basis in amounts up to \$25,000. [Read details here.](#)

- d) **Unemployment:** If you need to file for unemployment, you may do so using this link, [Unemployment Filing](#). And for a [step-by-step guide click here](#). Please note that also as part of the CARES Act, UI benefits have been increased by \$600 a week on top of the state unemployment payment (50% of salary with a max of \$823 / wk).
  - e) **Insurance:** Check with your insurance provider to understand your coverage and options.
  - f) **For more information on these and other programs click here for a Small Business overview of the CARES Act:** [Small-business-owner-s-guide-to-the-cares-act-final-.pdf](#)
2. **For your customers:** for our businesses deemed essential and remaining open, please make your business as hygienic and safe as possible, and communicate what you are doing to your customers.
  3. **For your employees:** for our businesses deemed essential and remaining open, check, modify, and communicate policies regarding remote working, sick-leave, and compensation during health crisis. We encourage you to make your policies as flexible as possible. Anyone who is exposed to the virus or sick must self-quarantine and contact their personal care provider. Note that sick employees must stay home. Related, is the **Families First Coronavirus Response Act (FFCRA)**. Under this law employees are to paid for up to two weeks for illness, quarantine or school closures related to COVID-19 and given up to 12 weeks of Family and Medical Leave Act leave to employees for school closures related to COVID-19, most of which must be paid. **These costs are fully reimbursable via payroll tax credits – a streamlined claim form is due in early April.**
  4. **For your workflow:** cross-train employees for key functions so that daily schedules can continue as uninterrupted as possible by potential employee absences. Continue to adapt and refine virtual workplace tools (e.g., Slack, Zoom) and policies.
  5. **For your cashflow:** communicate with your landlord (or tenants) and lenders about expectations and request flexibility - better to start those conversation now.
  6. **For yourself:** eat well, sleep, and exercise. Taking care of yourself in this time of stress will improve your resistance to infection and resilience in managing difficult business situations. And of course, wash your hands all the dang time and don't touch your face, or anyone else's... for that matter.

**A final note:** be safe, and, in the inimitable words of Winston Churchill, *keep calm and carry on*. Working together, we will get through this and emerge stronger, more informed, and more prepared as a Chamber, a Community and a Nation.

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