

Allegheny Conference Webinar Series:

*“Small Business-Focused
COVID-19 Financial
Assistance: Options For
You” – First in a Set of
Two Webinars*

We will begin shortly.

APRIL 3, 2020



UPMC HEALTH PLAN

The Allegheny Conference Webinar Series ...

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UPMC HEALTH PLAN

“Small Business-Focused COVID-19 Financial Assistance: Options For You” is designed to cover the most ground for small business owners and provides expert insights into available relief options including:

- Paycheck Protection Program – a provision of the \$350B federal CARES Act
- Locally sourced patient loans, flex financing & free technical assistance

Welcome to Today's Program

Host: Bill Flanagan

Chief Corporate Relations Officer

Allegheny Conference

Presenter: Michael Amon

SVP/Managing Director

First National Bank (FNB) Small Business Finance

Presenter: Matt Madia

Chief Strategy & Development Officer

Bridgeway Capital

Bill Flanagan

Chief Corporate Relations Officer

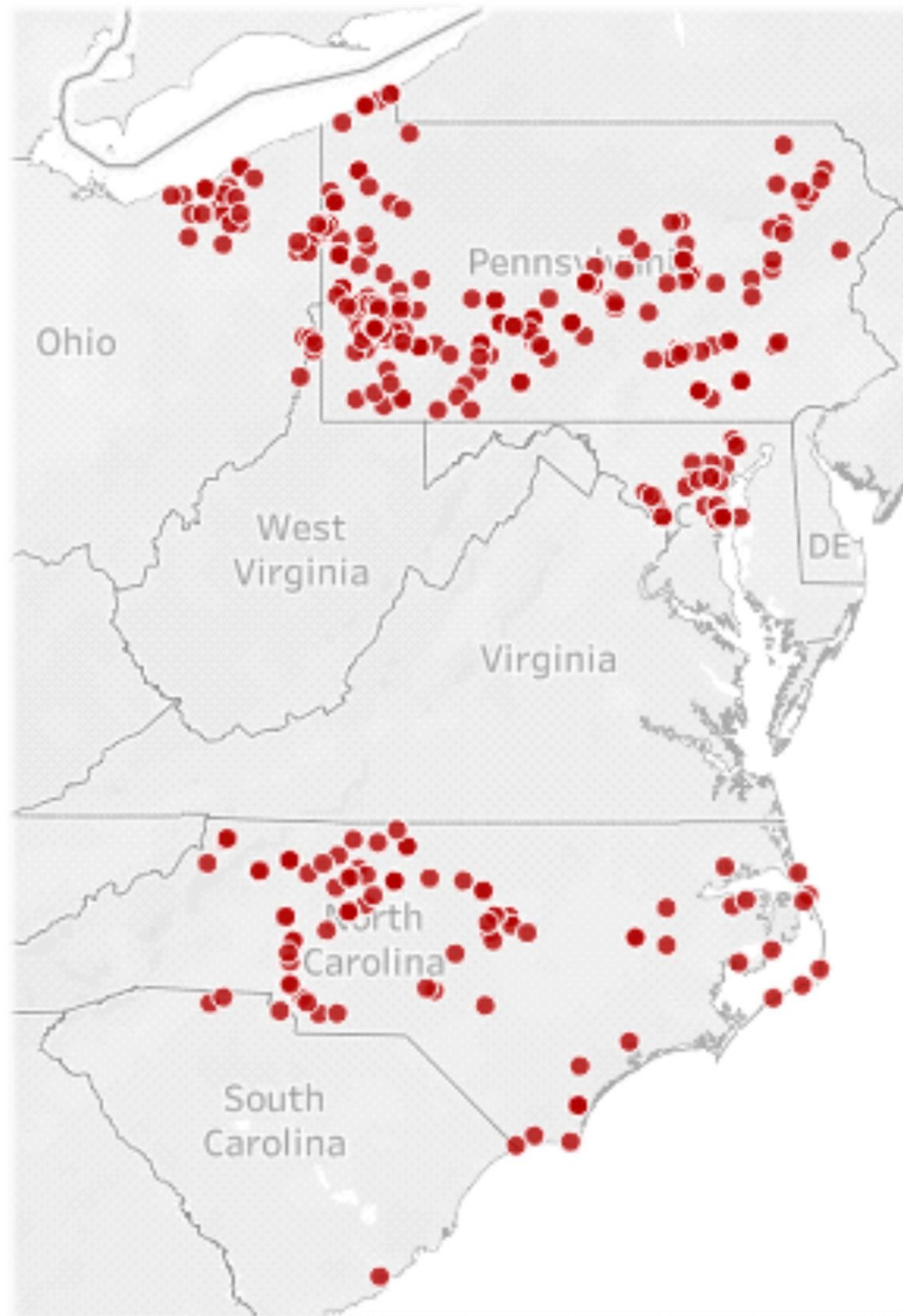
Allegheny Conference &
Host, “Our Region’s Business”

Michael Amon

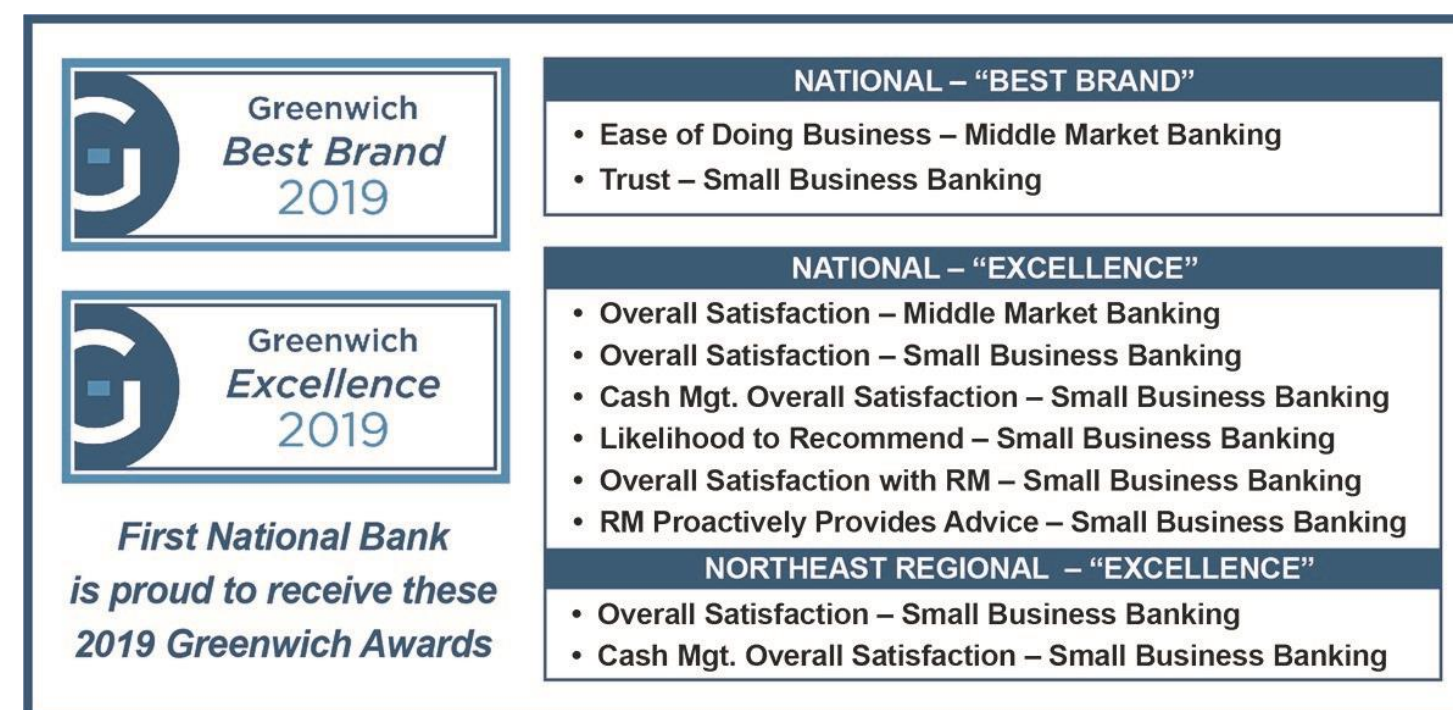
SVP/Managing Director

First National Bank (FNB)
Small Business Finance
amonm@fnb-corp.com

Who is FNB?

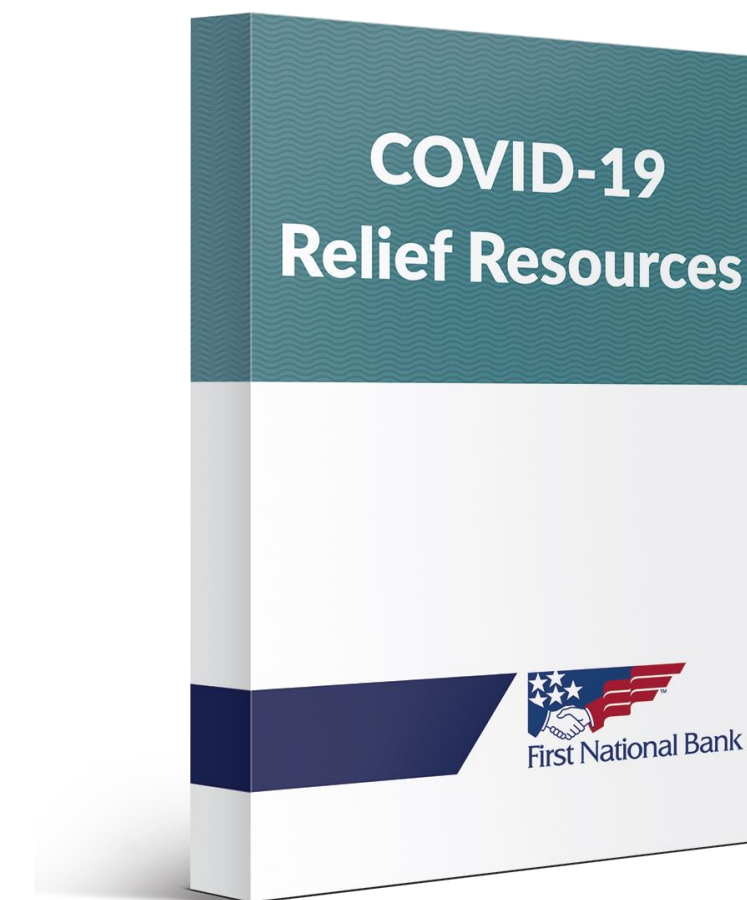


- One of the 50 largest bank holding companies based in the U.S. by total assets
- SBA Preferred Lender
- One of the 25 largest small business lenders in the U.S. by small business loan balance
- Recognized by *Greenwich Associates* for customer service in small business



FNB's COVID - 19 Relief Resources

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - Paycheck Protection Program (PPP) Loans (\$350B)
 - EIDL Grant (\$10B)
 - SBA loan payment subsidy (\$17B)
- Payment Deferrals (subject to bank approval)
- Disaster Assistance (EIDL) Loans (\$50B)



Paycheck Protection Program Loans (PPP)

Final program details and specifications are still being finalized as of April 2, 2020

- Section 1102 of the \$2T CARES Act – to prevent workers from losing their jobs and small businesses from going under due to economic losses caused by the COVID-19 pandemic
- \$350B overseen by the SBA, delivered through 800+ licensed SBA-certified lenders (banks)
- Eligible businesses with <500 employees per location or who meet the SBA size standards
 - self-employed individuals, “gig economy” individuals, and independent contractors
 - most 501(c)(3) non-profits, 501(c)(19) veteran organizations, and tribal businesses
- Had to be in business on February 15, 2020 and had employees or independent contractors who were paid wages/compensation

Paycheck Protection Program Loans (PPP)

- Loan amount = 2.5x average monthly payroll, capped at \$10 million
- Baseline average from 2019, not including income above \$100k for anyone making > \$100k. Can include portion of income below \$100k.
- No more than 25% of proceeds can be used for rent, utilities, interest on mortgage, all must be in place prior to February 15, 2020
- Covered period = February 15, 2020 to June 30, 2020
- Differences from standard SBA 7(a) loan:
 - No fees (to both SBA and to bank)
 - No prepayment penalties
 - No collateral
 - No personal guarantee
 - No credit elsewhere test

Paycheck Protection Program Loans (PPP)

- Must make “good faith certification” (shown on application):
 - Uncertainty of economic conditions makes loan necessary to support ongoing operations
 - Funds will be used to retain workers, plus make mortgage payments, pay rent, leases, or utilities
 - **Does not have a government-backed loan application pending or already received a government-backed loan for the same purpose**
- Complete payment deferral for 6 months (no payments)
- Forgiveness
 - Some or all of the loan may be forgiven:
 - Debt may be forgiven if used for payroll, rent, utilities, interest on mortgage based on 8 weeks after loan is made
 - Forgiven amount reduced in proportion to employee layoffs in excess of 25%, covered period average as compared to baseline average

Paycheck Protection Program Loans (PPP)

- Forgiveness
 - Penalties waived for employers who rehire laid off employees
 - Forgiven amount may not exceed original loan amount
 - Forgiven amount considered cancelled indebtedness and is excluded from gross income, and is therefore not taxable
 - Business must make application for forgiveness along with documentation to verify used of funds:
 - Number of FTE and pay rates
 - Cancelled checks
 - Payroll tax filings
- Any remaining balance is termed out

SBA Disaster Assistance Loans (Economic Injury, EIDL)

- \$50B announced Wednesday March 11, 2020
- EIDL provides working capital to overcome temporary loss of revenue to eligible businesses so it may continue to operate until the effects of the declared disaster has passed
- Disaster Assistance is long established, having been used for many different hurricanes, wildfires, oil spills, and tornados over many years
- Amount is based on the negative impact to the business up to maximum of \$2.0M
- 3.75% fixed rate, 30 year repayment
- Apply directly through the federal SBA website:
<https://www.sba.gov/funding-programs/disaster-assistance>

SBA Disaster Assistance Loans (EIDL)

- If business was viable and had capacity to repay the proposed loan before the COVID-19 disaster, provided they are eligible for the SBA loan, they should expect to be approved.
- Eligible applicants may request **immediate advance of up to \$10k** from SBA while SBA is reviewing loan (New CARES Act).
 - Must reapply using new short form
 - Available in 3 days
 - Advance can be rolled into Paycheck Protection Program
- Applicants shall not be required to repay advance payments, even if subsequently denied for an EIDL. That advance payment may be used on payroll, sick leave, rent, utilities or other necessities.
- The advance payment is considered when determining loan forgiveness, if the applicant transfers into a loan made under SBA's Paycheck Protection Program.

SBA Disaster Assistance Loans

- Loan application process is all on-line
 - Application
 - List of documents needed
 - Can upload to website or mail in
 - Receive application number
 - Can monitor process, receive response to questions
- Approximately 30 days start-to-finish to receive money
 - Approval process is 8 - 21 days once all the information is submitted, depending on questions
 - Loan closes within 5 business days
- Collateral required for any loan > \$25,000


Payment Deferrals

- **Reach out to your banker**
- Consumer Loans: Skip-a-payments (1-3 months)
 - Mortgages and Home Equity Loans
 - Auto loans and unsecured lines of credit
 - Personal and Business Credit Cards
- Business Loans:
 - Conventional (Non-SBA) Loans: interest only or deferrals for 90 days
- From SBA: CARES Act Subsidy – All existing SBA loans will receive 6 months of payments paid by the SBA
- Payment relief may also be available from suppliers





What To Do Now

- Talk to your banker
- Visit www.fnb-online.com
- Gather your payroll information for 2019
- Stay safe

Final program details and specifications are still being finalized as of April 2, 2020

 **First National Bank**

Personal Business Solutions Center


    [Login](#)

CARES Act

Last Updated April 2, 2020

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$350 billion to help small businesses keep workers employed amid the pandemic and economic downturn.

Paycheck Protection Program is a major component of the (CARES) Act which provides 100% federally guaranteed loans to small businesses. The loans may be forgiven if small business borrowers maintain their payrolls throughout the crisis or restore their payrolls afterward.



As we await the final SBA rules on the Paycheck Protection Program, you can begin to gather information that we anticipate will be part of the due diligence requirements. As details emerge, we will update these provisions as they become available. We are currently working on our application process and will communicate how to apply soon.

- All quarters of Employer's Quarterly Federal Tax Returns, Form 941 (or if applicable, the annual Form 944), starting with first quarter of 2019
- 2019 Forms 1099-MISC for independent contractors (only applicable if Applicant is an independent contractor)
- Payroll documentation will be required to support the requested loan amount which is based upon Average Monthly Payroll. We are awaiting the final rules from the SBA on what the exact requirements are.
- Documentation supporting who is authorized to enter into agreements on behalf of the borrower (e.g. Articles of Incorporation, Operating Agreement, Corporate Bylaws, Meeting Minutes, etc.)
- Depending upon your business type and history with FNB, you may also be asked to supply financial statements and a Request for Transcript of Tax Return (Form 4506-T)

Matt Madia

Chief Strategy & Development
Officer

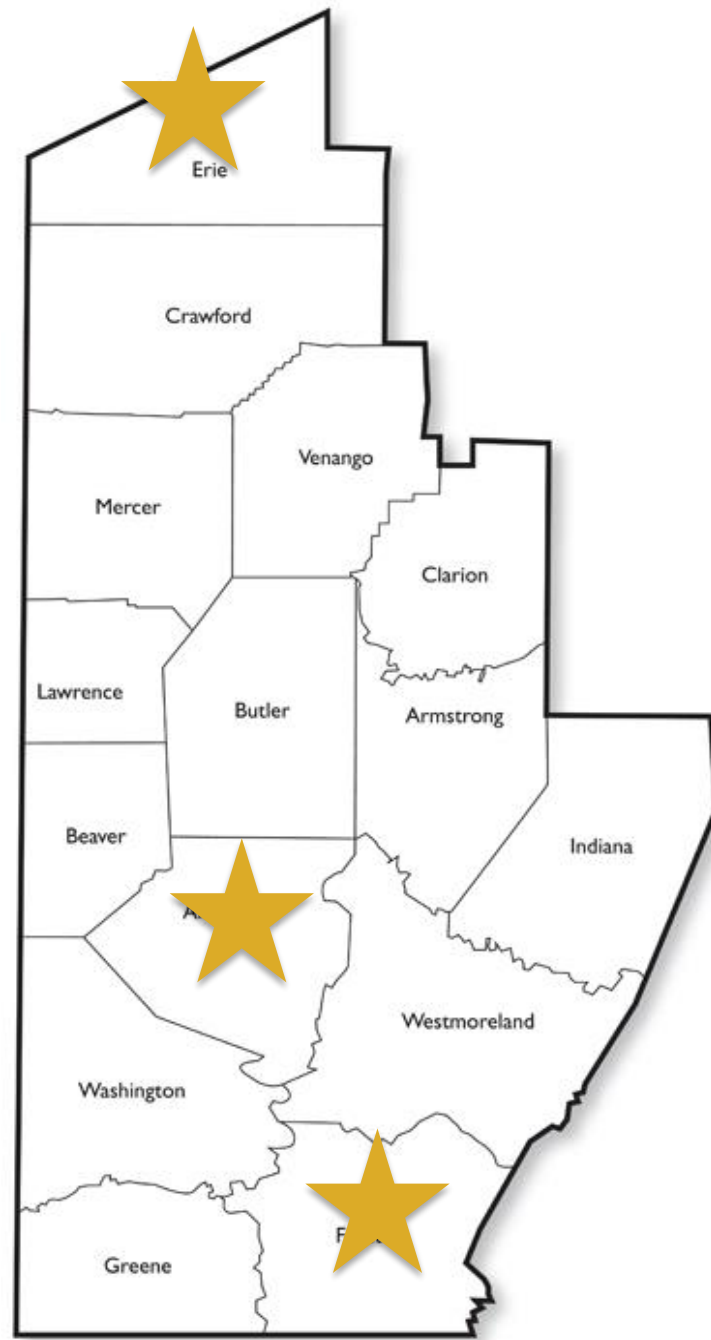
Bridgeway Capital

412-779-9498

mmadia@bridgewaycapital.org



Bridgeway Capital – COVID-19 Response



Background

Nonprofit Community Development
Financial Institution founded in 1990

Loans to small businesses, nonprofits,
and real estate developers

47% of small business loans to
entrepreneurs of color

82% of lending in LMI communities



Bridgeway Capital – COVID-19 Response

What do we offer?

Loans up to \$50,000 or 50% of 3 months operating expenses

No payment for 3 months, followed by

12 months interest-only, then 60-month term loan

4% interest rate; \$100 closing fee

Who is eligible?

< 50 employees; < \$500,000 in annual revenue

Owned by individuals with net worth < \$100,000

Minority-, woman-, immigrant- or veteran-owned businesses, or

Businesses in economically distressed neighborhoods

Payment Deferrals

Available to all existing clients impacted by COVID-19



Bridgeway Capital – COVID-19 Response

Building business resiliency

One-on-one virtual technical assistance

- Marketing
- Accounting
- Legal

Connections to other resource providers

bridgewaycapital.org/covid-19-community-resources/

Webinar series



Bridgeway Capital – COVID-19 Response

Marketing Webinars

Marketing Strategies for
Restaurants

Part 1: Thursday April 2, Noon

Part 2: Friday April 3, Noon

Setting Up Your Web Store

Part 1: Tuesday April 7, Noon

Part 2: Thursday April 9, Noon

Digital Advertising Strategy

Part 1: Tuesday April 14, Noon

Part 2: Thursday April 16, Noon

Creative Business Webinars

Operating a Creative Business
During a Close Order

Friday, March 27, Noon

Understanding Emergency Capital
Options

Friday, April 3, Noon

Q & A

Moderated by:

Alison Treaster

Director, Workforce Business Engagement,
Pittsburgh Regional Alliance,
an affiliate of the Allegheny Conference

A wide-angle photograph of the Pittsburgh skyline at dusk. The city's lights are on, and the buildings are reflected in the calm water of the river. The iconic yellow suspension bridge is visible on the right side of the frame. The sky is a mix of soft pinks, oranges, and blues. Overlaid on the center of the image is the text "PITTSBURGH REGION RESPONSE TO COVID-19" in a large, white, bold, sans-serif font with a black outline.

PITTSBURGH REGION RESPONSE TO COVID-19

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Thank You, Sponsors

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UPMC HEALTH PLAN

Thank you for participating.

Coming Monday, 4/6: Part II of this Small Business-Focused Assistance Webinar, a part of the ...

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