



AT THE BAR WITH BOWDITCH

A Legal Blog for the Craft Brewing Community

Financial Support for Qualifying Small Business and Non-Profits Impacted by the Coronavirus Outbreak

BY RORY Z. FAZENDEIRO • MARCH 19, 2020

While businesses of all sizes are feeling the adverse consequences brought on by the coronavirus outbreak, small businesses and non-profits, in particular, are acutely susceptible to immediate financial and operational hardships such as reduced cash-flow, temporary closures, supply chain disruptions or changed customer behaviors.

Federal, state and local governments have taken steps to provide financial relief to certain qualifying businesses impacted by COVID-19. Such packages are typically in the form of short-term loans, but with below market interest rates and other favorable terms that may be an attractive option to a small or non-profit business needing a financial stop-gap to weather the storm.

Some available alternatives are described below:

FEDERAL

The U.S. Small Business Administration (SBA) is offering Disaster Assistance Loans to small businesses impacted by COVID-19.

- Loans up to \$2 million in funding for qualifying small businesses and private non-profit organizations impacted by the coronavirus outbreak.
- Loans may be used to pay fixed debts, payroll, accounts payable and other costs.
- The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- Offers long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

- The deadline to apply for an Economic Injury Disaster Loan is December 17, 2020.

For more information, see [SBA to Provide Disaster Assistance Loans for Small Businesses Impacted by Coronavirus \(COVID-19\)](#).

STATE (MA)

The “Small Business Recovery Loan Fund”, recently announced by the Baker-Polito Administration, is a \$10 million loan fund to provide financial relief to small business and non-profit organizations affected by COVID-19.

- Provides emergency capital up to \$75,000 to Massachusetts-based businesses and non-profits impacted by COVID-19.
- Must have under 50 full- and part-time employees.
- Loans are immediately available to eligible businesses with no payments due for the first 6 months.
- Fund is capitalized and administered by The Massachusetts Growth Capital Corporation (MGCC).

For more information, see [Baker-Polito Administration Announces \\$10 Million Small Business Recovery Loan Fund](#).

LOCAL RELIEF FUNDS

The Worcester Regional Chamber of Commerce, in partnership with the North Central Massachusetts Chamber on microloans and is now offering emergency loans of up to \$20,000 to small businesses negatively impacted by Covid-19. To qualify, businesses must be provide two years of tax returns and demonstrate a direct financial impact of coronavirus on the business.

For more information, see [Daily Chamber Communication Focusing on the Impact of COVID-19](#). You may also contact [Sandie Cataldo](#) or [Brendan Hannen](#) at the North Central Chamber.