



Department of Economic  
& Community Development

## Resources in Response to COVID-19-related closures and economic disruption Business Information Sheet #2 - Small Businesses

**Financial Resources:** The State of Maine partners with the U.S. Small Business Administration (SBA), the Finance Authority of Maine (FAME), and other resource partners to provide financial support for small businesses affected by COVID-19. This information will be updated periodically as more resources become available.

- ❖ **Contact your financial institution:** Your own financial institution may be your best resource and wants to hear from you. Banks, credit unions and non-traditional lenders are given authority to defer required payments, waive fees and make accommodations. Your financial institution may also be able to quickly provide a line of credit or short-term loan based on your existing relationship. Finally, letting the institution know of financial distress early is the best course of action.
  
- ❖ **Deferred Payments on Existing Loans:**
  - ✓ **Existing SBA guaranteed loans and microloans:** A business that has received an SBA-backed loan is eligible to have all payments deferred if affected by the disruption and economic impact due to COVID-19. COVID-19 qualifies as a "certain circumstance" under SBA policies. Businesses who wish to defer payments should contact their lending institution as soon as possible to begin the process of requesting deferment. These include (7)a and 504 SBA Business loans and also microloans. In most cases deferment can be for up to six months.
  
  - ✓ **Existing Finance Authority of Maine (FAME) guaranteed loans:** A business that has received a FAME guaranteed loan is eligible to request payment deferrals if affected by the disruption and economic impact due

to COVID-19. Businesses who wish to defer payments should contact their lending institution as soon as possible to begin the process of requesting deferment.

- ✓ **Existing FAME Direct loans:** A business that has received a FAME Direct loan is eligible to request payment deferrals if affected by the disruption and economic impact due to COVID-19. Businesses who wish to defer payments should contact FAME directly by emailing [business@famemaine.com](mailto:business@famemaine.com).

## ❖ **Short-term, emergency capital needs due to COVID-19 impact:**

- ✓ **SBA Economic Injury Disaster Loans:** Because Governor Mills acted quickly, Maine is now declared eligible for assistance. Businesses, non-profit organizations, and individuals seeking assistance may apply on the SBA website:

<https://www.sba.gov/funding-programs/disaster-assistance>.

**Eligibility:** These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. 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%. These loans will have 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.

- ✓ **Finance Authority of Maine (FAME) Options:** These options will become available as of March 20, 2020:

- ✓ **COVID-19 Relief Loan Insurance:** This program allows lenders to approve commercial loans of up to \$100,000 on a streamlined basis with FAME loan insurance to the lender up to 50% -75% of the loan amount. Interest rate and term determined by the bank. FAME will waive commitment fees. Businesses should contact their own lender to see if they are offering this program.

**How to apply:** A business will apply for a business loan directly with their lender and the lender will apply for the loan insurance with FAME. Your lender will also ask for documentation of the COVID-19 impact on your business. For more information on this program see:

[www.famemaine.com](http://www.famemaine.com).

✓ **COVID-19 Relief interim loan program those approved for SBA Economic Injury Disaster Loan**

**assistance:** This program is designed to provide faster, interim cash-flow for Maine businesses who have been approved for SBA Economic Injury Disaster Loans but have not yet received the disbursement of the loan. FAME will provide interim direct loan funding of up to \$100,000 for use by the business until the SBA loan is funded. The SBA loan will then pay off the FAME loan. These special terms are available only on application submitted via the FAME Direct Loan Program on or after March 20, 2020. Once application is received, funds will be available in as little as 48 business hours.

**How to apply:** Application forms and required personal financial statements can be found on the [FAME website](#). Applications, along with required supporting documents, and documentation outlining COVID-19 effects on the business operations, including SBA commitment for financing should be emailed to [business@famemaine.com](mailto:business@famemaine.com). For more information on this program see: [www.famemaine.com](http://www.famemaine.com).

✓ **COVID-19 Relief Business Direct Loans:** FAME will make special terms available to Maine-based businesses providing loans of up to \$50,000 to Borrowers that experience interruption or hardship due to the COVID-19 pandemic and cannot obtain a loan from a lending partner. Interest rate will be Wall Street Journal Prime minus 1%, currently (2.25%), fixed at commitment with a term no longer than 12 months, and flexible amortization and a lower commitment fee. These special terms are available only on application submitted via the FAME Direct Loan Program on or after March 20, 2020.

**How to apply:** Application forms and required personal financial statements can be found on the [FAME website](#). Applications, along with required supporting documents, should be emailed to [business@famemaine.com](mailto:business@famemaine.com).

Eligible borrowers will be approved using a streamlined process. For more information on this program see: [www.famemaine.com](http://www.famemaine.com)

✓ **FAME also manages the COVID-19 Relief Consumer Loan Program:** The program has loans to individuals and may be

appropriate for sole proprietors and self-employed. More information at [COVID-19 Consumer Loan Fact Sheet](#).

## **Taking Care of Employees:**

- ❖ **Unemployment Benefits Revisions** – The State of Maine is temporarily revising eligibility requirements for all the Unemployment Insurance (UI) programs to include situations not typically covered.

This is to help employers who need to lay off or cut hours for employees due to the COVID-19 situation and or even temporarily cease operations. This revision will also assist an individual quarantined with the expectation of returning to work once the quarantine is over; or if an individual leaves employment due to risk of exposure or infection or to care for a family member. It also temporarily waives the one week waiting period for benefits so that workers may obtain benefits immediately and ensures that claims for UI will not affect an employer's experience rating. These temporary measures will help relieve the burden of temporary layoffs, isolation, and medically-necessary quarantine on Maine workers and small businesses.

The Maine Department of Labor has provided answers to Frequently Asked Questions and other information at: <https://www.maine.gov/labor/covid19/>

- ❖ **Work Share Opportunities** – The Maine Department of Labor also is adjusting Unemployment Benefits to enable employers to reduce worker hours and not have a detrimental effect on the employee.

Under this program, the employer pays for the hours worked and Unemployment Insurance benefits pay the difference between these hours and the wages for the hours normally worked. This option that helps businesses retain their workforce during this temporary slowdown in work due to COVID-19. The program allows employers to voluntarily reduce the hours of staff in lieu of layoffs. Employees of the business collect a partial unemployment benefit to help them offset the loss of income. See <https://www.maine.gov/unemployment/workshare/> for more information and how to apply.

### **Bureau of Unemployment Compensation Contact:**

If you are unsure whether you or your employees are eligible for unemployment insurance, the Maine Department of Labor recommends that you apply.

More information on Unemployment Insurance can be found here:

<https://www.maine.gov/unemployment/>

Claims can be filed online or by phone at:

- <https://reemployme.maine.gov/>
- 1-800-593-7660

❖ **Other Maine Department of Labor guidance - [Maine Department of Labor Resource Publication](#)** provides information and guidance. Employer-related information is available through the [Department of Labor at their website](#)

## Other Resources:

**Check the [Governor's website](#) often:** The State is marshaling resources and options and the situation is very fluid. This website will be the place to look for updates.

**Explore locally available and private-sector resources:** Keep an eye out for funds being raised at the local level and by private-sector resources. These are in the works – your neighbors want to help.

**Reach out to Business Service Providers for assistance thinking creatively and completing SBA Economic Injury Disaster Loan Forms:** Free business technical assistance is available for thinking through how to shift your business model to online, take-out, or delivery focused and other innovative approaches. These service providers are also trained to help with SBA loan applications. Service providers have shifted to offering assistance via phone or video call. There is no wrong option and you can try out any and all of them at no cost to you.

[Maine SBDC](#) – Counselors are available statewide and you can request advising on the SBDC website. The website also has a wealth of information on starting a business.

[SCORE](#) – SCORE has chapters around the State, with the nation's best chapter for two years running located in Portland - <https://portlandme.score.org/>. SCORE is a free, volunteer-led service and has both general business mentors and subject area experts.

Maine Women's Business Center – WBC is also statewide and both WBC and SBDC are hosted by CEI - <https://www.ceimaine.org/advising/> - you can request a business advisor from CEI through their website.

Maine has a variety of local options as well that can be accessed through the [Guide for Resources for Maine Entrepreneurs](#) and through the [US SBA Small Business Resource Guide](#).

**Still have questions?** We are happy to field questions through Business Answers at 1-800-872-3838 or via email at [business.answers@maine.gov](mailto:business.answers@maine.gov).