



SOURCES OF FEDERAL FUNDS DURING THE COVID-19 PANDEMIC FOR HOSPITALS
 APRIL 13, 2020

	Paycheck Protection Program	FEMA Public Assistance	Main Street Expanded Loan Facility (“MSELF”)	Main Street New Loan Facility (“MSNLF”)
Eligibility	<ul style="list-style-type: none"> Generally for-profit business and nonprofit organizations, including religious organizations, in operation on February 15, 2020 that employ no more than 500 employees (taking into account affiliation rules).¹ Special exception for faith-based organizations that may allow participation notwithstanding affiliation with larger system. 	<ul style="list-style-type: none"> State, Territorial, Tribal, and local government entities and certain private nonprofit organizations. 	<ul style="list-style-type: none"> Requires existing term loan originated before April 8, 2020. Business with ≤ 10,000 employees OR ≤ \$2.5 billion in 2019 annual revenue. No minimum employee threshold or credit rating requirement. No guidance in the statute or limited public releases (to date) to confirm whether or not nonprofit organizations are eligible to borrow through the MSELF. 	<ul style="list-style-type: none"> Business with ≤ 10,000 employees OR ≤ \$2.5 billion in 2019 annual revenue. No minimum employee threshold or credit rating requirement. No guidance in the statute or limited public releases (to date) to confirm whether or not nonprofit organizations are eligible to borrow through the MSNLF.
Available Funding	<ul style="list-style-type: none"> Lesser of (i) 2.5x average monthly payroll costs and (ii) \$10 million. 2-year loan term; 1% interest rate. Funds may be used for payroll costs, employee compensation and benefits, mortgage interest payments, rent, utility costs, and interest on any other debt obligations that were incurred before February 15, 2020. At least 75% of loan must be used for payroll costs to get full forgiveness. 	<ul style="list-style-type: none"> Determined pursuant to grant request. Costs must be directly tied to the performance of eligible work, documented, and reasonable in nature and amount. Examples include: overtime labor for budgeted employees and straight-time and overtime labor for unbudgeted employees; backfill employee labor, call-back pay, night-time pay, weekend differential pay, and stand-by time; necessary equipment; and necessary supplies and materials. 	<ul style="list-style-type: none"> Minimum loan size of \$1 million. Maximum loan size is lesser of (i) \$150 million, (ii) 30% of the Borrower’s existing outstanding and committed but undrawn bank debt, and (iii) an amount that, when added to Borrower’s existing outstanding and committed but undrawn debt, does not exceed 6x 2019 EBITDA. 	<ul style="list-style-type: none"> Minimum loan size of \$1 million. Maximum loan size is lesser of (i) \$25 million and (ii) an amount that, when added to Borrower’s existing outstanding and committed but undrawn debt, does not exceed 4x 2019 EBITDA.
Action Items	<ul style="list-style-type: none"> Apply through SBA-approved lender. Application contains certifications. Available until June 30, 2020, or until government funding is exhausted. 	<ul style="list-style-type: none"> Coordinate with applicable state emergency management agencies for details regarding the application process and training programs. 	<ul style="list-style-type: none"> Ask bank(s) that currently provide you banking and/or lending services whether they will be participating in the MSELF. Monitor for additional information on eligibility and terms and conditions. 	<ul style="list-style-type: none"> Ask bank(s) that currently provide you banking and/or lending services whether they will be participating in the MSNLF. Monitor for additional information on eligibility and terms and conditions.

¹ Determination of eligibility will require case-by-case analysis of the SBA affiliation rules and facts and the applicant’s organizational structure.