Financial Resources for Practices During COVID-19
04/17/2020

Please note: as of 4/17/2020 the Paycheck Protection Program and Economic Injury Disaster Loan Emergency Advance are not accepting new applications. We recommend outreach to lenders as this situation is likely to change with new funding expected.
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Financial Resources for Practices during COVID-19

During the COVID-19 pandemic, physicians and practices are confronting many business challenges while continuing to deliver high quality care to their patients. This resource is intended to provide an overview of financial assistance resources available to medical practices during the pandemic. We encourage you to speak with your accountant and your legal counsel as you make these decisions.

Loans and financial assistance programs for physician, Medical Students, and residents include:

**Coronavirus Aid, Relief, and Economic Security (CARES) Act**

The CARES Act, signed into law on March 27, 2020 is a roughly a $2 trillion coronavirus response intended to address the economic fallout of the 2020 coronavirus pandemic. It is considered ‘Phase 3” of Congress’s coronavirus response. The first phase was the $8.3 billion spurring coronavirus vaccine and research and development and the second phase was an approximately $104 billion package for paid sick leave and unemployment benefits for workers and their families.

The CARES Act established or expanded several loan programs intended to provide liquidity to businesses, including physician practices: (1) the Paycheck Protection Program (PPP) for small businesses; (2) Emergency Economic Injury Disaster Loans (EIDL); (3) the Coronavirus Economic Stabilization Act (CESA), which authorizes the Secretary of the Treasury to make loans, loan guarantees, other investments, and subsidies to provide liquidity for mid-size businesses between 500 and 10,000 employees for losses incurred as a result of coronavirus; and (4) the Small Business Debt Relief Program.

**Paycheck Protection Program (PPP)**

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020. *(see “Please note” on page 4)*

Loans information
- SBA find a lender near you tool
- SBA Approved Paycheck Protection Program Lenders in Massachusetts
- PPP borrower application form
- Frequently Asked Questions for Lenders and Borrowers
- Affiliation rules, applicable for the Paycheck Protection Program
- Frequently Asked Questions for Faith-Based Organizations Participating in the Paycheck Protection
Program and Economic Injury Disaster Loan Program

The US Chamber of Commerce step-by-step checklist and payroll calculation

Who Can Apply

The following entities affected by Coronavirus (COVID-19) may be eligible:

- Any small business concern that meets SBA’s size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
  - 500 employees, or
  - That meets the SBA industry size standard if more than 500
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Sole proprietors, independent contractors, and self-employed persons

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of 1%.

*Please note: The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding. As of April 15, 2020, Congress is working to increase funding for the program by another $250 billion and the Federal Reserve announced it would back another $250 billion in loans. Therefore, physicians should continue to pursue local lenders.

Economic Injury Disaster Loan Emergency Advance*(see page 5 please note)

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to $10,000. This advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available following a successful application. This loan advance will not have to be repaid.

Who Can apply

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.

Businesses in certain industries may have more than 500 employees if they meet the SBA’s size standards for
those industries. The Economic Injury Disaster Loan advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid.

**Loan Information**

**Frequently Asked Questions for Faith-Based Organizations Participating in the Paycheck Protection Program and the Economic Injury Disaster Loan Program**

Fact sheet containing all information related to this Loan in the state of Massachusetts

*Please note: SBA is unable to accept new applications now for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

**Economic Injury Disaster Loan Program**

Provides small businesses with working capital loans that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

A business that receives an EIDL between January 31, 2020, and June 30, 2020, because of a COVID-19 disaster declaration is eligible to apply for a PPP loan or the business may refinance their EIDL into a PPP loan. In either case, the emergency EIDL grant award of up to $10,000 would be subtracted from the amount forgiven in the payroll protection plan.

EIDLs are loans of up to $2 million that carry interest rates up to 3.75% for companies and up to 2.75% for nonprofits, as well as principal and interest deferment for up to 4 years. The loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.

**Loan information**

**SBA’s Economic Injury Disaster Loan Application**

**Disaster Loan Assistance FAQ**

*Please note: SBA is unable to accept new applications now for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program based on available appropriations funding. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.*

**SBA Express Bridge Loans**

Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to $25,000 with less paperwork. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loan or used to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.
Terms

1. Up to $25,000
2. Fast turnaround
3. Will be repaid in full or in part by proceeds from the EIDL loan

Loan information

Express Bridge Loan Pilot Program Guide

Find an Express Bridge Loan Lender by connecting with one of the SBA Massachusetts District Offices.

Main Street Lending Program for Mid-Size Practices

Title IV of the CARES Act includes a subtitle called the “Coronavirus Economic Stabilization Act (CESA)”, which created the Main Street Lending Program and authorizes the Secretary of the Treasury (working with the Federal Reserve) to make loans, loan guarantees, other investments and subsidies to provide liquidity for mid-size businesses between 500 and 10,000 employees for losses incurred as a result of coronavirus. These loans will have an annualized rate no greater than 2% and with no principal or interest due for at least six months. The loans are not eligible for loan forgiveness.

This program is available to eligible businesses that have not otherwise received “adequate economic relief” in the form of loans or loan guarantees provided under the other provisions of the CARES Act. For mid-size physician practices that are not eligible for other loans, the advantages of CESA loans include lower rates and favorable pay-back terms. The CARES Act provides $454 billion for this program. The Treasury Secretary is expected to issue more details and guidance on the application procedures and requirements.

Borrowers under this program must make a good-faith certification that:

- The uncertainty of economic conditions as of the date of the application makes necessary the loan request to support the ongoing operations of the recipient.
- The funds it receives will be used to retain at least 90 percent of the recipient’s workforce, at full compensation and benefits, until September 30, 2020.
- The recipient intends to restore not less than 90 percent of the workforce of the recipient that existed as of February 1, 2020, and to restore all compensation and benefits to the workers of the recipient no later than 4 months after the termination date of the public health emergency declared by the Secretary of Health and Human Services on January 31, 2020, under section 319 of the Public Health Services Act (42 U.S.C. 247d) in response to COVID–19.
- The recipient is an entity or business that is domiciled in the United States with significant operations and employees located in the United States.
- The recipient is not a debtor in a bankruptcy proceeding.
- The recipient is created or organized in the United States or under the laws of the United States and has significant operations in and much of its employees based in the United States.
- The recipient will not pay dividends with respect to the common stock of the eligible business, or repurchase an equity security that is listed on a national securities exchange of the recipient or any parent company of the recipient while the direct loan is outstanding, except to the extent required under a contractual obligation that is in effect as of the date of enactment of this Act.
- The recipient will not outsource or offshore jobs for the term of the loan and 2 years after completing repayment of the loan.
The recipient will not abrogate existing collective bargaining agreements for the term of the loan and 2 years after completing repayment of the loan.

That the recipient will remain neutral in any union organizing effort for the term of the loan.

**Program information**

*MMS will provide additional information as it becomes available.*

**SBA Debt Relief Program**

As part of SBA’s debt relief efforts,

- The SBA will automatically pay the principal, interest, and fees of current 7(a), 504, and microloans for a period of six months.
- The SBA will also automatically pay the principal, interest, and fees of new 7(a), 504, and microloans issued prior to September 27, 2020.

**Additional Debt Relief**

For current SBA, Serviced Disaster (Home and Business) Loans: If your disaster loan was in “regular servicing” status on March 1, 2020, the SBA is providing automatic deferments through **December 31, 2020**.

What does an “automatic deferral” mean to borrowers?

- Interest will continue to accrue on the loan.
- 1201 monthly payment notices will continue to be mailed out which will reflect the loan is deferred and no payment is due.
- The deferment will NOT cancel any established Preauthorized Debit (PAD) or recurring payments on your loan. Borrowers that have established a PAD through Pay.Gov or an Online Bill Pay Service are responsible for canceling these recurring payments. Borrowers that had SBA establish a PAD through Pay.gov must contact their SBA servicing office to cancel the PAD.
- Borrowers preferring to continue making regular payments during the deferment period may continue remitting payments during the deferment period. SBA will apply those payments normally as if there was no deferment.
- After this automatic deferment period, borrowers will be required to resume making regular principal and interest payments. Borrowers that cancelled recurring payments will need to reestablish the recurring payment.

If you have questions about your current loan and whether your loan is automatically deferred, please contact your Loan Servicing Office directly using the following information:

- Birmingham Disaster Loan Servicing Center:
  - Phone: 800-736-6048
  - Email: BirminghamDLSC@sba.gov
- El Paso Disaster Loan Servicing Center:
  - Phone: 800-487-6019
  - Email: ElPasoDLSC@sba.gov
Department of Health and Human Services Public Health & Social Services Emergency Fund

The CARES Act provides $100 billion in funding for the U.S. Department of Health & Human Services (HHS) to provide grants to healthcare providers enrolled in the Medicare Program, including physician practices. These funds are meant to cover unreimbursed healthcare related expenses or lost revenues attributable to the COVID-19 public health emergency (PHE).

Eligibility:

- All facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019 are eligible for this initial rapid distribution.
- Payments to practices that are part of larger medical groups will be sent to the group's central billing office.
- All relief payments are made to the billing organization per its Taxpayer Identification Number (TIN).
- As a condition to receiving these funds, providers must agree not to seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider.
- This quick dispersal of funds will provide relief to both providers in areas heavily impacted by the COVID-19 pandemic and those providers who are struggling to keep their doors open due to healthy patients delaying care and cancelled elective services.
- If you ceased operation because of the COVID-19 pandemic, you are still eligible to receive funds so long as you provided diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. Care does not have to be specific to treating COVID-19. HHS broadly views every patient as a possible case of COVID-19.

HHS partnered with UnitedHealth Group (UHG) to deliver the initial distribution to providers. Physicians who believe they should have received funds but did not can contact UHG’s Provider Relations at (866) 569-3522 or visit UHC.

Program information
Terms and Conditions
The CARES Act Provider Relief Fund Payment Attestation Portal

CMS Accelerated and Advance Payment Program

To increase cash flow to providers of services and suppliers impacted by the 2019 Novel Coronavirus (COVID-19) pandemic, the Centers for Medicare & Medicaid Services (CMS) has expanded the current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers.

CMS is authorized to provide accelerated or advance payments during the period of the public health emergency to any Medicare provider/supplier who submits a request to the appropriate Medicare Administrative Contractor (MAC) and meets the required qualifications.

To qualify for accelerated or advance payments, the physician must:

Massachusetts Medical Society
860 Winter Street • Waltham, MA 02451
www.massmed.org
- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider’s/supplier’s request form;
- Not be in bankruptcy;
- Not be under active medical review or program integrity investigation;
- Not have any outstanding delinquent Medicare overpayments

**The Accelerated or Advanced Payments to Providers Instruction**

**NGS Accelerated Payment Process webinars**

**Accelerated/Advance Payment Request Form**

**FACT SHEET: Expansion of the Accelerated and Advance Payments Program for Providers and Suppliers During COVID-19 Emergency**

For specific questions call the COVID-19 Accelerated/Advance Payment Hotline: National Government Services (NGS) - Jurisdiction 6 & Jurisdiction K: Telephone Number: 1-888-802-3898 Hours of Operation: 8:00 a.m. – 4:00 p.m. CT.

**Other CMS Programs**

**MIPS Deadline Extension**

CMS extended MIPS data submission deadline for physicians and accountable care organizations from March 31, 2020 until April 30, 2020. MIPS eligible clinicians who do not submit any MIPS data by April 30, 2020, will qualify for an automatic extreme and uncontrollable circumstances policy and will receive a neutral payment adjustment in 2021. CMS has also reopened the Extreme and Uncontrollable Circumstances application until April 30, 2020, for any physician, group or virtual group that started submitting data but are unable to complete their submission due to COVID-19. CMS has updated the OPP Participation Status Tool so eligible clinicians can see if the policy has been automatically applied.

CMS is evaluating options for providing relief around participation and data submission for the 2020 MIPS performance year.

**MIPS data submission portal**

**MIPS hardship exception fact sheet** (PDF) outlines how a physician can avoid a penalty or submit data to potentially earn an exceptional performance bonus

**Medicare Sequester Will Be Temporarily Lifted May 1**

CMS will lift a 2% sequestration cut in Medicare fee-for-service starting May 1, as required by the CARES Act. The suspension will remain in place through Dec. 31

**DRG Add-on**

During the emergency period, the legislation provides a 20% add-on to the DRG rate for patients with COVID-19. This add-on will apply to patients treated at rural and urban inpatient prospective payment system (IPPS) hospitals.
COVID Coverage
The Families First Coronavirus Response Act waives cost-sharing under Medicare Part B (coinsurance and deductible amounts) for Medicare patients for COVID-19 testing-related Services. Congress mandated that Medicare, Medicaid, private insurers, Tricare, the VA and Indian Health Services cover and pay for COVID-19 vaccines, testing and related physician visits and prohibit any patient cost-sharing for such services. Medicare will pay for 100% of the visit costs.

Increases Medicare Payment for High-Production Coronavirus Lab Tests
Medicare will nearly double payment for certain lab tests that use high-throughput technologies to rapidly diagnose large numbers of 2019 Novel Coronavirus (COVID-19) cases.

2020 Recovery Rebates for Individuals
Individuals will directly receive $1,200 for single taxpayers, $2,400 for married taxpayers filing a joint tax return and $500 per child. These amounts phase down for higher-income taxpayers, meaning an individual who earns above $75,000 or married joint filers earning above $150,000, will receive less than the above-mentioned amounts.

Summary of recovery rebates and economic impact payments in the CARES Act.

Medical Education and Student Loans
New federal legislation created numerous student loan provisions to benefit medical students, including deferring student loan payments and interest, loan flexibility for those who withdraw from school as a result of COVID-19, and work-study flexibility.

- Defer federal student loan payments, principals and interests through September 30, 2020. Additionally, during this time, involuntary collection related to federal student loans (i.e. delinquent loans) will be suspended.
- Allows students who withdraw from school because of COVID-19 to not return Pell grants, other grant assistance or loans for the semester of withdrawal. Additionally, for students who withdraw from school because of COVID-19, the current academic term would be excluded from counting toward lifetime subsidized loan or Pell grant eligibility.
- Schools can use Supplemental Educational Opportunity Grants as emergency financial aid grants to assist graduate students with unexpected expenses and unmet financial needs that arise because of COVID-19.
- Institutions can transfer unused work-study funds to be used for supplemental grants. Additionally, it gives institutions the ability to issue work-study payments to students who are unable to work due to work-place closures, because of COVID-19, as a lump sum or in payments like paychecks.
- Supports foreign education institutions, including graduate medical schools, as these offer distance learning to U.S. students receiving Title IV funds for the duration of the COVID-19 pandemic. Title IV funds are federal student aid funds, which are from federal student aid programs administered by the U.S., such as:
  - Department of Education; Title IV funds include Direct Subsidized/Unsubsidized Loan, Direct Graduate PLUS Loan
Direct PLUS Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG) and Federal Perkins Loan; it does not include scholarships from the University or other private organizations

**Provisions for Residents**

- **Application of teaching physician regulations**

  Teaching physicians can provide services with medical residents virtually through audio/video real-time communications technology. This does not apply in the case of surgical, high risk or interventional (or other complex procedures) services performed through an endoscope and anesthesia services.

- **Counting of resident time at alternate locations**

  A hospital that is paying the resident’s salary and fringe benefits for the time that the resident is at home or in a patient’s home, but performing duties within the scope of the approved residency program and meets appropriate physician supervision requirements, can claim that resident for IME and DGME purposes. This allows medical residents to perform their duties in alternate locations, including their home or a patient’s home so long as it meets appropriate physician supervision requirements.

- **Moonlighting considered separately billable services**

  Outlined in "[Medicare and Medicaid programs; policy and regulatory revisions in response to the COVID–19 public health emergency](#)" (PDF), for the duration of the PHE for the COVID-19 pandemic, CMS is allowing the services of residents that are not related to their approved GME programs and are performed in the inpatient setting of a hospital in which they have their training program to be separately billable physicians’ services for which payment can be made under the PFS provided that the services are identifiable physicians’ services and meet the conditions of payment for physicians’ services to beneficiaries in providers in §415.102(a).

  Additionally, the resident must be fully licensed to practice medicine, osteopathy, dentistry or podiatry by the state in which the services are performed, and the services cannot be performed as part of the approved GME program.

- **Exclusion for certain employer payments of student loans**

  Temporarily expands the definition of employer-sponsored educational assistance to include qualified student loan payments made to employees in 2020. The provision enables employers to provide a student loan repayment benefit to employees on a tax-free basis.

  Under the provision, an employer may contribute up to $5,250 annually toward an employee’s student loans, and such payment would be excluded from the employee’s income. Payments made by the employer can go to the employee directly or to the lender. Additionally, payments can cover both the principal and interest of the qualified student loan.

- **Child care for physicians**

  States are authorized to use funds appropriated under the Child Care and Development Block Grant to provide child care assistance to health care sector employees, emergency responders and other essential
workers during the response to the coronavirus regardless of income.

Regional and Local Funding

Many cities, counties and community banks are helping businesses during this time. We encourage members to reach out to research what your locality may be offering.

Government Actions

- Governor Baker issued an executive order requiring insurance carriers to provide coverage for all medically required costs of COVID-19 treatment, without charges to patients, at both in-network and out-of-network hospitals. This coverage extends to care provided at field hospitals that the state has created in response to the COVID-19 outbreak. Reimbursement will occur at contracted rates, if available; otherwise, reimbursement will be set at 135% of the Medicare rate in the provider's geographic region.

- Governor Baker announced financial relief package for health care providers. On April 7, Gov. Baker announced an $800 million financial relief package to support health care providers through the MassHealth program. This aid package is an acknowledgment that in stepping up to address the COVID-19 crisis, many health care providers are experiencing a significant impact on their revenue and operations, straining the financial stability and sustainability of many physician practices. This funding will support hospitals and various providers, including primary care providers and private physician practices, and will be distributed beginning this month through July. More than $300 million will be allocated to health care providers delivering medical care for COVID-19 or providing services that keep residents safe in their homes and out of the hospital, including physicians, community health centers, personal care attendants, etc.

- Governor Baker announced new funding, outlines ongoing steps to support Long-Term Care facilities. Facilities that create dedicated COVID-19 wings and units and follow necessary safety protocols will be eligible for an additional 15% rate increase, or a net increase of 25% (approximately $50 million). These funds support additional staffing, infection control and supply costs throughout the state of emergency. An estimated $30 million will support facilities that established dedicated skilled nursing facilities.

- Governor Baker announced that The Group Insurance Commission ("GIC"), all Commercial Health Insurers, Blue Cross and Blue Shield of Massachusetts, Inc., and Health Maintenance Organizations ("Carriers") regulated by the Division insurance ("Division"), are hereby required to allow all in-network providers to deliver clinically appropriate, medically necessary covered services to members via telehealth. The GIC and all Carriers shall ensure that rates of payment to in-network providers for services delivered via telehealth are not lower than the rates of payment established by the Carrier for services delivered via traditional (i.e., in-person) methods, and shall notify providers of any instructions necessary to facilitate billing for such telehealth services.
MassHealth

The Executive Office of Health and Human Services has issued an Administrative Bulletin 20-27, effective April 16, 2020 and allows MassHealth to alter payment rates for certain MassHealth Covered Surgery and Anesthesia, Medicine and Radiology. The bulletin updates rates for certain services to support providers enrolled in the MassHealth Physician Program during COVID-19 emergency, for dates of service from April 1, 2020 through July 31, 2020, EOHHS will increase rates by 15 percent above current rates for Physician services for the top 100 CPT Physician codes with established rates/fees and All Home based evaluation and management services for new and established patients (CPT codes 99341-99350). Unless noted in the bulletin, all other services remain as established prior to this bulletin.

The Massachusetts Growth Capital Corporation

MGCC believes that small businesses are instrumental in the economic vitality of Massachusetts. They specialize in lending solutions for your community’s existing small businesses to stay on track. Providing individualized service to each client, their expert lending team seeks creative solutions by understanding a business beyond its financials. For more information

Common Capital

Located in Springfield, MA, Common Capital is a community loan fund and non-profit organization that is committed to a thriving local economy to create positive social and community impacts. Common Capital aligns capital and other resources to community needs and opportunities.

Massachusetts COVID-19 Relief Fund

First Lady Lauren Baker and the One8 Foundation are teaming up with philanthropists, business leaders, Eastern Bank, The Boston Foundation, and the Foundation for Business Equity to launch the Massachusetts COVID-19 Relief Fund to support those across the state most impacted by this health crisis.

City of Boston

A new mortgage relief partnership with 12 of the largest housing lenders in Boston was created to aid homeowners during the pandemic. The City secured 334 dedicated beds to reduce the spread of COVID-19 among Boston's first responders, shelter staff, and veterans living in group homes. Mayor Walsh also created a COVID-19 Health Inequities Task Force to provide guidance on addressing current inequities for Blacks, Latinos, Asians, and immigrants.

Mayor Walsh and the Transportation Department announced ticket amnesty for healthcare workers during the public health emergency. In addition, we have launched a new mapping tool for healthcare workers to find parking spaces in Boston.

City of Boston Small Business Relief Fund Administered by the City of Boston’s Mayor’s Office of Economic Development, the City of Boston Small Relief Fund program provides grants of $2,500, $5,000 and $10,000 to local small businesses directly affected by the coronavirus based on number of employees. An eligible small business may apply through a single application and be considered for one of three grants depending on its size, the number of employees and its annual revenue.
City of Cambridge

Mayor's Disaster Relief Fund Application Information
https://www.cambridgema.gov/covid19/mayorsfundapplication

City of Cambridge Announces Small Business COVID-19 Relief Grant Program
https://www.cambridgema.gov/covid19/News/2020/03/cityofcambridgeannouncesmallbusinesscovid19reliefgrantprogram

Quaboag Valley Business Assistance Corporation
Located in Ware, MA, QVBAC makes loans from $500 to $100,000 to existing and startup businesses operating within its area. Program information

Franklin County Community Development Corporation
Located in Greenfield, MA, FCCDC finances both start-up and existing small businesses for a wide range of purposes in Western Massachusetts. Program information

Western Mass List of Businesses Resources: Hampden, Hampshire, Franklin, and Berkshire Counties
Reponses
The Massachusetts Small Business Development Center, which has an office in Springfield, has a full week of webinars for Small Businesses, including learning more about the new SBA programs. Check out the schedule here. They are also maintaining a spreadsheet of resources here.

COVID Relief Coalition
A Coalition of law firms, nonprofits and governmental agencies in Massachusetts has joined forces to help small businesses and nonprofits in the greater Boston area access emergency loans and other sources of relief.

Other State Programs:
- State Programs
- Local Programs
- Western Massachusetts CDCs
- Non-Financial Resources
- Local Banks
- Other Sources of Funding

SBA District Offices

SBA District Offices are responsible for providing businesses with the tools for enhancing and growing their businesses such as financial assistance and free consulting services. The SBA has two District Offices in the State of Massachusetts.
For more information about the Boston Office, please click here.
For more information about the Springfield Branch Office, please click here.
Resources for Business Counseling Services

Many large companies are struggling to respond to the unprecedented economic disruption our nation is facing, so small businesses that have even fewer resources to dedicate to navigating the economic impacts of COVID-19 must have access to reliable counseling and mentorship services.

The stimulus provides $275 million in grants to the nation’s network of Small Business Development Centers (SBDCs) and Women’s Business Centers (WBCs), as well as the Minority Business Development Agency’s Business Centers (MBDCs), to provide mentorship, guidance and expertise to small businesses. The funding will allow SBDCs, WBCs, and MBDCs to hire staff and provide programming to help small businesses and minority-owned businesses respond to COVID-19: Here is a list of the local chapters:

MENTOR/COUNSELING PARTNER NETWORK
SCORE Boston Chapter
SCORE Worcester Chapter
SCORE Northeastern Massachusetts Chapter
SCORE Southeastern Massachusetts Chapter
SCORE Western Massachusetts Chapter
SCORE Cape Cod Chapter
SCORE Rhode Island (Serving Fall River, New Bedford)
Center for Women & Enterprise - Eastern Massachusetts
Center for Women & Enterprise - Central Massachusetts
Veterans Business Outreach Center (VBOC)
Northeast Regional Office at Salem State University
Central Regional Office at Clark University
Southeast Regional Office at Bristol County Chamber of Commerce
Western Regional Office at UMass Amherst
Berkshire Regional Office in Pittsfield

Federal and State Tax Relief

Filing and Payment Deadline Extended

The deadlines to FILE and PAY federal income taxes are extended to July 15, 2020.

Get answers to your questions on the filing and payment deadline.

Extension of time to file and pay personal income tax

There will be an automatic extension to October 15, 2020 for personal income tax as long as the amount
due for a **valid personal income tax extension** is paid by July 15, 2020.

**Employee Retention Credit Available for Many Businesses Financially Impacted by COVID-19**

The **Employee Retention Credit** is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. You can get immediate access to the credit by reducing the employment tax deposits you are otherwise required to make. Also, if your employment tax deposits are not sufficient to cover the credit, you may get an advance payment from the IRS. [Get details on the retention credit.](#)

**Coronavirus-Related Paid Leave for Workers and Tax Credits for Small- and Mid-Size Businesses**

The [Families First Coronavirus Response Act (PDF)](#) gives all American businesses with fewer than 500 employees funds to provide employees with paid leave, either for the employee's own health needs or to care for family members. [Get details on paid leave for employees.](#)

**Small Business Tax Provisions**

The CARES Act includes changes to taxes and tax policies that could benefit physician practices. These changes include an employee retention tax credit if the practice’s business operations were fully or partially suspended due to a COVID-19 shut-down order, or gross receipts declined by more than 50 percent compared to the same quarter in the prior year. Eligible businesses can get a refundable 50 percent tax credit on wages up to $10,000 per employee. The credit can be obtained on wages paid or incurred from March 13, 2020, through Dec. 31, 2020.

**Delay of Payment of Employer Payroll Taxes**

The CARES Act allows taxpayers to defer paying the employer portion of certain payroll taxes through December 31, 2020, with deferred amounts due in two equal installments: (1) half by the end of 2021 and (2) half by the end of 2022. Deferrable Taxes. The employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability. Relation to PPP. This deferral opportunity is NOT available to businesses that have loans forgiven under the PPP.

**Use of retirement funds**

The CARES ACT waives the 10% early withdrawal penalty on aggregate distributions of up to $100,000 from certain workplace retirement plans and individual retirement accounts (IRAs) for COVID-19-related purposes. The individual can elect to pay the federal income tax on the distribution over 3 years or has the option to repay the distribution within a 3-year period to an eligible retirement plan.

Required minimum distributions (RMDs) from some retirement accounts for 2020 have been waived, including 401(k), 403(b), and governmental 457(b) plans as well as SEP IRAs, SIMPLE IRAs, and traditional IRAs.

**Modification for Employer Net Operating Losses**

Allows modifications for business net operating losses to allow businesses to use losses and amend prior year tax returns which will provide critical cash flow. A net operating loss arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years.
Increased Interest Expense Deductions Allows businesses to temporarily increase the amount of interest expense they can deduct on their tax returns by increasing the 30% limitation to 50% of taxable income for 2019 and 2020 with adjustments.

Corporate extensions

Corporate excise taxpayers [all Ch 63 taxpayers] must pay the amount required on the April 15, 2020 due date for an automatic six or seven-month extension

Corporate Excise Tax penalties waived

Penalties for late-file and late-pay for corporate excise (including financial institution and insurance premiums excise) returns and payments with an original due date of April 15, 2020 will be waived if filed and made by July 15, 2020. This includes all corporate excise returns and payments with an original due date of April 15, 2020, including those of certain S corporations, banks, insurance companies and non-profits that file on a fiscal year basis.

Federal Pandemic Unemployment Compensation (FPUC)

The FPUC program will provide an additional $600 per week to individuals who are collecting regular Unemployment Compensation (UC), Pandemic Emergency Unemployment Compensation (PEUC), Pandemic Unemployment Assistance (PUA), Extended Benefits (EB), Trade Readjustment Act (TRA), and Disaster Unemployment Assistance (DA).

State Tax Relief Measures

The Massachusetts Department of Revenue (DOR) is actively monitoring the latest developments regarding the COVID-19 coronavirus. Please visit their COVID-19 Coronavirus Response Update page for the latest on filing and payment extensions and penalty relief, tax or debt resolutions, communicating with DOR, and more.

Other Funding options

Types of 7(a) loans

The 7(a)-loan program is the SBA's primary program for providing financial assistance to small businesses. The terms and conditions, like the guaranty percentage and loan amount, may vary by the type of loan.

Standard 7(a):

<table>
<thead>
<tr>
<th>Maximum loan amount</th>
<th>$5 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum SBA guarantee %</td>
<td>85% for loans up to $150,000 and 75% for loans greater than $150,000</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum</td>
</tr>
<tr>
<td>Eligibility decision</td>
<td>By the SBA. Qualified lenders may be granted delegated authority (PLP) to</td>
</tr>
</tbody>
</table>
make eligibility determinations without SBA review.

**Revolving lines of credit**

- Up to 10 years (Permitted only under CAPLines submission. See below)

**SBA turnaround time**

- 5-10 business days

**Forms**

- SBA Form 1919 and SBA Form 1920 are required for every loan (other SBA Forms may be required)

Lenders are not required to take collateral for loans up to $25,000. For loans, more than $350,000, the SBA requires that the lender collateralize the loan to the maximum extent possible up to the loan amount. If business fixed assets do not “fully secure” the loan the lender may include trading assets (using 10% of current book value for the calculation), and must take available equity in the personal real estate (residential and investment) of the principals as collateral.

**Credit decision**

- By the SBA. Qualified lenders may be granted delegated authority (PLP) to make credit decisions without SBA review.

### 7(a) Small Loan

<table>
<thead>
<tr>
<th><strong>Maximum loan amount</strong></th>
<th>$350,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum SBA guarantee %</strong></td>
<td>85% for loans up to $150,000 and 75% for loans greater than $150,000</td>
</tr>
<tr>
<td><strong>Interest rate</strong></td>
<td>Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum</td>
</tr>
<tr>
<td><strong>Eligibility decision</strong></td>
<td>By the SBA. Qualified lenders may be granted delegated authority (PLP) to make eligibility determinations without SBA review.</td>
</tr>
<tr>
<td><strong>SBA turnaround time</strong></td>
<td>5-10 business days</td>
</tr>
<tr>
<td><strong>Forms</strong></td>
<td>SBA Form 1919 and SBA Form 1920 are required for every loan (other SBA Forms may be required)</td>
</tr>
</tbody>
</table>

Lenders are not required to take collateral for loans up to $25,000. For loans over $25,000, up to and including $350,000, the lender must follow the collateral policies and procedures that it has established and implemented for its similarly-sized non-SBA-guaranteed commercial loans, but at a minimum the lender must take a first lien on assets financed with loan proceeds and lender must take a lien on all the applicant’s fixed assets including real estate. Lender is not required to take a lien against applicant’s real estate when the equity is less than 25% of the fair market value. The lender may limit the lien taken against real estate to the loan amount.
Credit decision

By the SBA. Qualified lenders may be granted delegated authority (PLP) to make credit decisions without SBA review.

SBA Express

The SBA Express program features an accelerated turnaround time for SBA review. The SBA will respond to your application within 36 hours.

- **Maximum loan amount**: $350,000
- **Maximum SBA guarantee %**: 50%
- **Interest rate**: Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum
- **Eligibility decision**: Made by the lender
- **Revolving lines of credit**: Up to seven years with maturity extensions permitted at the outset
- **SBA turnaround time**: Within 36 hours
- **Forms**: Lender primarily uses own forms and procedures, plus SBA Form 1919
- **Collateral**: Lenders are not required to take collateral for loans up to $25,000. May use their existing collateral policy for loans over $25,000 up to $350,000.
- **Credit decision**: Made by the lender
- **Purchase**: Lender may request expedited SBA purchase on small loans or in situations where liquidation may be delayed

Veterans Advantage

Veteran-owned businesses are one of the fastest-growing and significant segments of the U.S. economy. SBA loans made to veteran-owned small businesses come with reduced fees. To be eligible to receive fee relief through the Veterans Advantage program, a small business must be at least 51 percent owned and controlled by someone in one of the following groups:

- Honorably discharged veterans
- Active Duty Military service member eligible for the military’s Transition Assistance Program (TAP)
- Service-disabled veterans
- Reservists and/or active National Guard members
- Current spouse of any veteran, active duty service member, Reservist, National Guard member, or the widowed spouse of a service member who died while in service or because of a service-connected disability

Pilot loan programs

SBA lenders can participate in two pilot loan programs, Community Advantage and Express Bridge. These pilot
programs will operate for a limited time, unless extended or made a permanent part of the SBA’s loan program:

- **Community Advantage**
  The SBA launched the Community Advantage (CA) loan program to assist small businesses in underserved markets.

- **Express Bridge**
  The Express Bridge loan program allows SBA Express lenders to provide expedited financing to small businesses located in declared disaster areas. Express Bridge loans are intended to be interim loans. Businesses use these funds for disaster-related purposes while they apply for and await long-term financing.

**504 loan program**
Designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition or eligible refinance of fixed assets.

**Microloan program**
Involves making loans through nonprofit lending organizations to underserved markets. Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (does not include real estate). The maximum loan amount is $50,000 with the average loan size of $14,000.

**Small Business Investment Company (SBIC) licensed by the Small Business Administration (SBA)**
An SBIC is a privately-owned company that’s licensed and regulated by the SBA. SBICs invest in small businesses in the form of debt and equity. The SBA doesn’t invest directly into small businesses, but it does provide funding to qualified SBICs with expertise in certain sectors or industries. Those SBICs then use their private funds, along with SBA-guaranteed funding, to invest in small businesses.

**Surety bonds**
Surety bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed. Many public and private contracts require surety bonds, which are offered by surety companies. The SBA guarantees surety bonds for certain surety companies, which allows the companies to offer surety bonds to small businesses that might not meet the criteria for other sureties.

**Grants**
The Small Business Administration works with different organizations to provide federal financial assistance (grants) community resources for certain small businesses. If you can't find any grants that fit your profile, you can see if you qualify for any of our funding programs, or schedule to meet with a counselor to talk about financing your business.
Disclaimer:

“This information was compiled from publicly available sources and is intended to serve as a general resource. It is current as of 04/17/2020. No recommendation or endorsement by the MMS for the individual(s) or service(s) listed is expressed or implied. This information does not constitute legal advice.”

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