

EMERGENCY
STABILIZATION FUND

U.S. TRAVEL
ASSOCIATION

WHO IS ELIGIBLE

- 📌 **ANY U.S. BUSINESS REGARDLESS OF SIZE**, which may include any nonprofit that is tax exempt under 501(c) of the tax code, including 501(c)(4) and 501(c)(6) organizations. Businesses must also meet certain criteria.
- 📌 **STATES**, including the District of Columbia; territories, any bi-state or multi-state entity, and any Indian Tribe.
- 📌 **MUNICIPALITIES**, including a political subdivision of a state, such as **State Tourism Office**; an instrumentality of a municipality, state or a political subdivision of a state; such as a **Destination Marketing Organization** classified as a political subdivision; a city or county airport authority, or a convention authority.

ADDITIONAL ELIGIBILITY:

The Treasury and Federal Reserve have broad authority to determine the eligibility requirements for any loans, loan guarantees or financial assistance enabled through these funds.

What kind of financial assistance is provided?

SECURED LOANS through **BANKS** and **CREDIT UNIONS**: The terms, conditions and maximum loan amounts will be set by the Federal Reserve and the financial institution.

DIRECT LOANS through the **Federal Reserve**:

- Cannot repurchase its own equity or its parent company's equity (stock buybacks);
- Cannot pay dividends or make other capital distributions on its common stock
- Must agree to limitations on total compensation (salary, bonuses, stock awards, golden parachutes and other financial benefits) paid to officers and employees whose total compensation was more than \$425,000 in 2019.

DIRECT Federal Investment: Treasury may also establish a program (through the Federal Reserve) to offer funding to eligible entities in exchange for debt obligations (e.g. corporate or municipal bonds), securities, or an ownership interest in assets.

What kind of financial assistance is provided?

- Funds must be used to retain at least 90% of employee workforce with full compensation and benefits through September 30, 2020
- The borrower intends to restore not less than 90% of the workforce that existed as of February 1, 2020 and to restore all worker compensation and benefits no less than four months after the pandemic
- Other conditions apply

Loans for MID-SIZED Businesses and Nonprofits (500-10,000 employees):

- Annualized interest rates will be no more than 2% and the borrower will not be required to pay principle or interest for at least the first six months.

MAINSTREET LENDING PROGRAM for Small and Mid-Sized Businesses:

The term "business" is not defined under this section, so it is unclear if this will include nonprofits.

TROUBLED DEBT RESTRUCTURING (TDR):

Allows banks to renegotiate loan terms with coronavirus impacted borrowers (companies and individuals) without having to hold extra capital, as long as the new terms are needed as a result of the coronavirus outbreak (and not pending pre-crisis for other solvency reasons).

How can I apply?

To Be Determined: The types of assistance that will be available and who qualifies will be determined through the programs and facilities established by the Treasury and Federal Reserve, in addition to any private lenders providing loans enabled through the Federal Reserve.

Assistance will not be provided on a company specific basis, but will be made broadly available. Instead, Treasury and the Federal Reserve must establish programs with terms and the ability to borrow on an industry basis or covering a broad swath of the economy.

Application procedures are forthcoming: Once a program is established, Treasury and the Federal Reserve will likely publish application procedures and minimum requirements for loans and other assistance made available under the programs. For lending enabled through financial institutions, additional application procedures will be provided by the bank.

ALL SMALL BUSINESS LOAN OPTIONS

- 📌 **SBA Coronavirus Economic Injury Disaster Loans**
- 📌 **SBA Express Loans**
- 📌 **SBA Business Interruption Loans (Paycheck Protection Program)**
- 📌 **Debt Relief & Loan Forgiveness for Small Businesses**