



Choosing financial options for your business

Geisinger Health Plan (GHP) thanks you for choosing us to serve your family and employees during this difficult time. As we all fight to get through the unexpected hardships the coronavirus pandemic has created, we want you to know that the health and wellbeing of our members remains our priority. Knowing the pandemic has caused some financial difficulties, we write to share some financial options that are available to you.

We understand that you may consider applying for financial assistance through the CARES Act Paycheck Protection Program (PPP), the COVID-19 Economic Injury Disaster Loan (EIDL), the Pennsylvania Industrial Development Authority (PIDA) and others.

For your convenience, we have enclosed helpful education resources:

- About the CARES Act Paycheck Protection Program (PPP)
- About the COVID-19 Economic Injury Disaster Loan (EIDL)
- About the Pennsylvania Industrial Development Authority (PIDA)
- Historical reporting to assist with any applications you submit

We thank you for the opportunity to serve you and look forward to getting through this together. Please reach out to your account executive or broker should you need any additional assistance.

About the CARES Act Payment Protection Program¹

The Paycheck Protection Program provides small businesses with funds to pay up to eight (8) weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.

Why consider applying?

1. Loans will be fully forgiven when 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).
2. Loan payments will be deferred for six months; matures in two (2) years.
3. The interest rate is 1%.
4. No collateral or personal guarantees are required.
5. Neither the government nor lenders will charge small businesses any fees.

What's required for loan forgiveness?

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.

Who can apply?

Small businesses with 500 or fewer employees—including nonprofits, veterans' organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

When to apply?

- Small businesses and sole proprietors may apply beginning [April 3, 2020](#).
- Independent contractors and self-employed individuals may apply beginning [April 10, 2020](#).

How to apply

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. All loans will have the same terms regardless of lender or borrower. A list of participating lenders as well as additional information and full terms can be found at www.sba.gov.

Additional resources

- [Paycheck Protection Program overview](#)
- [Paycheck Protection Program information sheet for borrowers](#)
- [Paycheck Protection Program application](#)
- [Documents you may need for your application](#)
- [U.S. Chamber of Commerce small business guide and checklist](#)
- [Find a Pennsylvania SBA lender](#)
- [View our coronavirus resource page](#)
- [Browse our employer FAQs](#)

¹ This document is provided for informational purposes only and not for the purpose of providing legal or tax advice or endorsing any entity. You should contact your attorney or tax professional to obtain specific advice with respect to the Program information discussed herein.

About the COVID-19 Economic Injury Disaster Loan (EIDL)¹

What is the COVID-19 EIDL?

The EIDL program extends low-interest credit to small businesses that are impacted by disasters. The CARES Act modified the EIDL program, increasing the amount of funds appropriated to the SBA, relaxing the requirements to qualify for an EIDL, and providing for a \$10,000 advance from the SBA within three days of a completed application by a qualifying business.

This cash advance will not need to be repaid, even if the qualifying business is denied an EIDL.

Who can apply?

A business is qualified to apply for an EIDL if it has been in existence as of January 31, 2020 and falls within any one of the following categories.

1. A business that has 500 or fewer employees
2. Individual who operates under a sole proprietorship or as an independent contractor
3. Cooperative business with 500 or fewer employees
4. Employee stock ownership plan, commonly referred to as an ESOP, with 500 or fewer employees
5. A tribal small business concern, as defined under the SBA Act, with 500 or fewer employees
6. A business, including a business with more than 500 employees, that is deemed a small business under the [SBA Size Standards](#)
7. A private non-profit organization that is granted tax exemption under 501(c), (d) or (e) of the Internal Revenue Code

What can EIDL be used for?

EIDL proceeds can be used to provide sick leave to employees, maintain payroll, meet increased costs to obtain materials, make rent or mortgage payments, or repay obligations that cannot be met due to revenue losses.

EIDL proceeds **cannot** be used to expand business operations, pay cash dividends and/or bonuses, or disburse payments to officers and owners unless those payments are directly related to the performance of services for the business.

What are EIDL's terms?

The amount of an EIDL can be up to \$2,000,000, based on the economic injury the business suffered a result of the disaster. An EIDL will not be forgiven by the SBA. The interest rate is 3.75% for a small business and 2.75% for a non-profit. The maximum term of an EIDL is 30 years. The SBA will determine the repayment period and monthly payments based upon the applicant's financial condition. Loans with a principal balance greater than \$25,000 require some form of collateral. The CARES Act, however, waives the requirements for a personal guaranty when the EIDL is less than \$200,000.

How to apply

Complete the [EIDL application](#) through the Small Business Administration. There is no fee to apply.

Additional resources

- [EIDL's Overview](#)
- [EIDL Guide](#)
- [EIDL vs. Paycheck Protection Program](#)

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About the Pennsylvania Industrial Development Authority (PIDA)¹

What is the Pennsylvania Industrial Development Authority?

PIDA provides low-interest loans and lines of credit for eligible businesses that commit to creating and retaining full-time jobs and for the development of industrial parks and multi-tenant facilities. Loan approval is contingent upon meeting the program underwriting and collateral requirements.

What kinds of businesses are eligible to apply for PIDA?

The following business types are eligible to apply:

- Agriculture
- Child daycare
- Computer-related services
- Construction
- Defense conversion
- Developers
- Hospitality
- Industrial
- Manufacturing
- Mining
- Recycling
- Research and development
- Retail
- Service enterprises

What can PIDA loans be used for?

- Land and building acquisitions
- Construction and renovation costs
- Machinery and equipment purchases
- Working capital and accounts receivable lines of credit, Multi-tenant facility projects
- Industrial park projects

What are PIDA's loan terms?

- Up to 15 years for land and building acquisitions and construction or renovation projects
- Up to 10 years for machinery and equipment purchases
- Working capital and accounts receivable lines of credit have a term of 1 year and can be renewed

How to apply

Loan applications are packaged by a Certified Economic Development Organization (CEDO) that services the county your business is located in. The CEDO will work with you to determine if the CWCA loan program can assist with financing the needs of your business and will discuss with you in detail how the application process works. Visit the [CEDO webpage](#) for a complete listing by county.

Questions about the program can also be directed to [717-783-5046](tel:717-783-5046).

Additional resources

- [PIDA overview](#)
- [PIDA fact sheet](#)
- [CEDO providers](#)
- [PIDA guidelines](#)

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