Nonprofit Alert: Small Business Loans Announced for COVID-19

March 21, 2020

As our nation, states, and local governments continue to respond to the COVID-19 pandemic, we know these are difficult times for all of our clients, but in particular for our nonprofit clients and friends.

Extending lines of credit and finding new sources of revenue to offset expected losses of charitable contributions and operating funds can be critical to making sure our nonprofit community survives through this crisis.

Note that the MN Department of Employment and Economic Development just announced that in Minnesota small business administration loans are now available with special rates for nonprofit entities.

Applications are now available online for these loans open to Minnesota businesses at: https://disasterloan.sba.gov/ela/.

Here are some additional details on the loans, provided by the Minnesota Department of Employment and Economic Development (DEED):

- This program can provide low-interest loans of up to $2 million private nonprofits.
- These loans can go toward working capital to meet needs, including payroll, accounts payable, and fixed-debt payments that can't be paid due to the COVID-19 pandemic.
- The nonprofit rate is 2.75%.
- These loans have long-term repayment options, up to a maximum of 30 years.

Here's some additional resources, also reshared from MN DEED:

- SBA disaster loan information at https://disasterloan.sba.gov/ela/Information/Index
- Information for small businesses affected by coronavirus at www.sba.gov/coronavirus
- All coronavirus-related federal government resources: www.usa.gov/coronavirus

Lathrop GPM is ready to assist nonprofit and tax-exempt organizations as they are confronted with the novel legal challenges an emergency such as COVID-19 presents. Connect with us or visit our COVID-19 Client Response web resource center. If you have specific nonprofit questions, please contact any member

of the Lathrop GPM Nonprofit & Tax-Exempt Organizations practice area.