

**FOR  
IMMEDIATE  
RELEASE**



**Michigan Certified Development Corporation  
Guidance to Small Businesses  
March 24, 2020**

At Michigan Certified Development Corporation (MCDC), we are committed to providing you as much assistance as possible during these trying times. Part of that assistance is to provide timely and accurate information regarding programs that are available.

As part of the Executive Order by Governor Whitmer to "shelter-in-place", certain industries were exempted as essential, including financial services. At MCDC, our full team is working, either remotely or by exercising extreme social distancing at the office and we are here to help.

For small businesses, to free-up or obtain working capital for your business, below are several options:

**1)** Contact your lender to discuss alternatives they may be offering to provide relief such as interest-only payments, payment deferrals or re-amortizations of your conventional (non-SBA) loans. They may also be able to provide payment deferrals on any 7(a) loans you have. Additionally, SBA 7(a) or Express loans for working capital may be available from your lender until an emergency bill is approved by Congress (see #5 below).

**2)** Economic Injury Disaster Loan (EIDL) - As has been outlined and widely published, the SBA is providing Disaster Loans. These are direct loans from the SBA of up to \$2 million and 30 years at 3.75% to assist with ongoing expenses such as payroll, rent or mortgage payments, utilities, property taxes, etc. These are not revenue replacement loans nor are they to be used for expansion, purchase of assets, etc. The application process begins by going to the SBA Disaster Relief website at [SBA.gov/disaster](https://www.sba.gov/disaster). You may also use the SBA disaster assistance hotline at 800-659-2955. The SBA Underwriters will review your financial statements and determine an appropriate loan amount and repayment terms on a case-by-case basis. The entire process is projected to take approximately 30 days from application to receipt of funds.

**3)** Deferment of your 504 loan payments - Should you desire to investigate the possibility of deferment for up to six-months of your loan payments on your 504 loan, please contact MCDC Servicing at [servicing@michigancdc.org](mailto:servicing@michigancdc.org) or call 517-886-6612 and ask for Servicing. The deferment will also require a "catch-up" period of 1-10 years of the amount deferred. This will require a monthly payment of principal and interest in addition to your regular payment post-deferment.

**4)** The Michigan Economic Development Corporation announced a fund of up to \$20 million to assist small businesses negatively impacted by COVID-19, \$10 million each in grants and loans. You can access the MEDC website at <https://www.michiganbusiness.org/covid19/>

### **COMING SOON...yet to be approved by Congress**

**5)** Coronavirus Stimulus Package.

Once Congress passes and the President signs the roughly \$2 trillion package of incentives for businesses and individuals, you will be able to apply for a loan through your lender. We do not yet know the exact terms of the loans nor when they will be available. Stay tuned as we will update you as details become available. We anticipate that you will not be allowed to obtain both an EIDL and a coronavirus stimulus loan; it will be one or the other as both are considered emergency relief loans.

The recommendation of MCDC is to begin the application process for the EIDL and if/when the stimulus becomes available, talk to your lender about it as it may be more advantageous depending upon your circumstances.

**Do not lose processing time on the EIDL waiting to see what Congress and the President approve.**

Mark Williams, President

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