

**FOR
IMMEDIATE
RELEASE**



**Michigan Certified Development Corporation
Guidance to Lenders
March 20, 2020**

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

Michigan has now been added as an eligible Economic Injury Disaster Loan (EIDL) area. You may want to encourage your customers to apply for a disaster relief loan online at [SBA.gov/disaster](https://www.sba.gov/disaster). In the past, the process has taken approximately 30 days from application to disbursement.

As an alternative, your borrower may reach out to you to discuss their options, including additional financing or modifications to existing loans. If you should decide to allow a borrower an interest-only period on the 504 first loan, you do not need SBA or MCDC approval prior to taking that action.

If you are considering additional working capital financing and your customer is not willing/capable of waiting for the EIDL process or Congressional action, you may want to consider a working capital 7(a) or Express loan. If you need assistance providing the financing or need help structuring an SBA loan, please reach out to MCDC at 517-886-6612 and ask to speak to the 7(a) lending division or email us at 7aloans@michigancdc.org.

In the event your customer desires a deferment of their 504 loan, please reach out to MCDC at servicing@michigancdc.org or call us at 517-886-6612 and ask for Servicing.

MCDC will continue to provide updates as they become available.

Below is the SBA announcement regarding the disaster relief program. You may also access other potential funding options available to your customers at the SBA website: <https://www.sba.gov/funding-programs>.

SBA Disaster Assistance in Response to the Coronavirus

- * The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- * Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- * SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
- * Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities as well as updated on our website: [SBA.gov/disaster](https://www.sba.gov/disaster).
- * SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- * These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- * SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- * SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.
- * For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.
- * Visit [SBA.gov/disaster](https://www.sba.gov/disaster) for more information.