



March 31, 2020

Dear CBB Members and Employers,

On Friday, March 27, 2020, President Trump signed into law the massive \$2.2 trillion stimulus bill, known as the “Coronavirus Aid, Relief, and Economic Security Act,” or the “CARES Act.”

Many of our churches have expressed interest in the portion of that bill that contains a \$367 billion Small Business Administration (SBA) loan program. The loans convert to grants (and can be forgiven) if used for covering employee salaries, rent, paid leave, utility payments, health insurance premiums, or other necessities or worker protections.

Although normally nonprofits/churches cannot apply for SBA loans, an exception has been made under this bill, and based upon the legislative language, these funds will be available to churches also. Application will be made through the church’s local bank and the loan will be guaranteed by the SBA. The interest rate on the loan, if not forgiven, cannot exceed 4.00% and the loan must be repaid in ten (10) years. It is expected that no security collateral will be required.

While churches can apply for these loans and the forgiveness program, they should exercise caution and understand the restrictions that come with the loans. Each church that is interested in these loans should have a detailed conversation with their local banker before proceeding.

Although the legislation became law on Friday, March 27, it is expected that it will take the SBA at least 10 days or more to write the regulations to implement this provision. So, these loans will not be available for probably at least a couple of weeks if all goes perfectly well.

We’ve posted some CARES Act resources for your review at [www.churchbenefits.org/COVID-19](http://www.churchbenefits.org/COVID-19).

Thanks, and we hope this information is helpful to you and your church.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Fox', written over a white background.

Rob Fox  
President of CBF Church Benefits