Barber Companies

COVID-19 Newsletter – March 27, 2020

Listed below are some public and private relief programs enacted in response to the Coronavirus pandemic. We have done our best to set out general summaries of the programs as we understand them; however you should contact the appropriate entities to get the exact details of each program.

FEDERAL

SBA Loan Programs

Economic Disaster Loans ("EIDLs")

- See https://disasterloan.sba.gov/ela/information/eidlloans.
- A business is eligible to apply if it is a "small business," as defined by 13 C.F.R. 123.2. (typically less than 500 employees).
- Alabama is a Declared Disaster Area for Covid-19.
- Borrowers for the Economic Disaster loans must apply directly with the SBA instead of through an SBA Lender/Bank. The application website is https://disasterloan.sba.gov/apply-for-disaster-loan/index.html.
- Loan proceeds may be used to pay rent, fixed debts, payroll, accounts payable, and other bills that cannot be paid due to impact of the coronavirus. The purpose is to alleviate the specific economic injury and operating needs of each applicant.
- Proceeds may not be used to: Refinance indebtedness incurred prior to the disaster event; Service current SBA loans; Pay, directly or indirectly, any obligations imposed as a tax or other non-tax penalty due to non-compliance with a law, regulation, or governmental order; Repair physical damage; or Pay dividends or disbursements to owners, except for reasonable remuneration directly related to performance of services for the applicant business.
- Underwriting: Applicants must have a credit history acceptable to the SBA, who determines if the applicant has the ability to repay the loan. Unsecured loans are available up to $25,000. Collateral is typically required for loans greater than $25,000. SBA guidance indicates that SBA will not decline an application for lack of collateral.
- Timing: Apply within nine (9) months from the date of disaster declaration. Approval three (3) to four (4) weeks from submission date depending on volume. Initial disbursement of $25,000 made within five (5) days following approval.
- Terms: Max Loan amount $2,000,000 - may not exceed what the applicant could have paid had the disaster not occurred. Specific amount determined by SBA based upon review of applicant's financials. Interest rate 3.75% (profit entity) and 2.75% (non-profit entity).

CARES Act

- The enabling legislation has passed Congress and been signed by President Trump.
- Creates the Small Business Interruption Loan Program (SBIL Program) and is a revision to the EIDL program authorizing an additional $10 billion to the SBA for EIDL loans.
- Creates Emergency Grants of $10,000 to be distributed by the SBA within 3 days of request while an application is pending. Applicant may not be required to repay the Emergency Grant, even if subsequently denied for an EIDL. Waives personal guarantee for loans less than $200,000.
- The SBIL application process will use only SBA qualified lenders. A list of such Alabama bank lenders is included on pages 4-5. Barber Companies will be providing a listing of direct contacts to several local lenders on this listing.
- Eligibility: Any small business or non-profit organization is eligible based on the following criteria:
  - No more than 500 employees (NOTE – requirement applies on a per physical location basis for certain industries – likely hospitality and restaurants)
  - In operation on February 15, 2020; and
  - Does not already receive assistance related to the COVID-19 pandemic under EIDL or any other SBA Disaster Loan.

- All prospective borrowers are presumed to have been adversely affected by the COVID-19 pandemic.
- Applicant must make good faith certification that it has been impacted by COVID-19 and will use the funds to retain workers and maintain payroll and other debt obligations

- Terms:
  - Maximum loan amount equal to four (4) times the borrower's total monthly expenses (monthly average over last 12 months), capped at $10 million. Includes: Payroll, Mortgage Payments, Rent Payments, Payments on other debt obligations
  - SBA to waive all otherwise applicable fees
  - SBA will allow lenders to defer payments up to 12 months
- Potential SBIL loan forgiveness equal to the costs incurred or payments made by Borrower during an 8 week period after the origination date of the loan, including: Payroll costs, Interest payments on any mortgage (existing prior to February 15, 2020), Rent payments on any lease (executed prior to February 15, 2020), Utility service payments (service began before February 15, 2020)
- Forgiveness amount will be reduced by reduction in employees or reduction in employee pay greater than 25%. Borrower will not be penalized for reduced payroll if Borrower re-hires workers previously laid off. It is unclear whether there will be time limits for re-hire.
- Use of Loan Proceeds include: Paid sick leave, Group health care benefits, Employee salaries, Mortgage payments, Rents, Utilities, Payment on other debt obligations

Small Business Administration Coronavirus (COVID-19) Guidance & Loan Resources

https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources

Deferments on SBA 7(a) and 504 Business Loans and Microloans

https://cdn.ymaws.com/www.naggl.org/resource/resmgr/policynotices_2020/5000-20004.pdf

Federal Taxes

Federal Tax Day is now July 15: Treasury, IRS extend filing deadline and federal tax payments regardless of amount owed

https://www.irs.gov/newsroom/tax-day-now-july-15-treasury-irs-extend-filing-deadline-and-federal-tax-payments-regardless-of-amount-owed

Questions and answers about the new filing deadline

https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers

Check the IRS website for the latest official information: https://www.irs.gov/coronavirus

STATE OF ALABAMA

State Taxes

State of Alabama Tax Day is now July 15th

https://revenue.alabama.gov/2020/03/governor-ivey-signs-proclamation-delaying-state-tax-filings/

Department of Revenue - Waived Late Fees and Penalties for some small businesses

https://revenue.alabama.gov/wp-content/uploads/2020/03/Order-Final.pdf

Department of Revenue – Waived late penalties for Restaurants and other food service providers

https://revenue.alabama.gov/2020/03/order-of-the-commissioner-of-revenue-3/

This link also provides some FAQs and phone numbers for helpful contacts
https://revenue.alabama.gov/coronavirus-covid-19-outbreak-updates/

Small Business Related

Alabama small businesses SBA COVID-19 disaster loans
https://www.madeinalabama.com/2020/03/gov-ivey-alabama-small-businesses-can-seek-sba-covid-19-disaster-loans/

The Alabama Small Business Development Center Network
Their Guide to Business Continuity / Disaster Recovery, and Checklist for Managing in Times of Financial Difficulty are available online.

LOCAL

Birmingham Strong Fund
Small business owners in Birmingham can now apply for emergency loans through Birmingham Strong, a loan fund for those facing layoffs or other major financial burdens from coronavirus-related closures. Apply here: https://bhamstrong.com/bhamstrongloan

Small Business Impact Survey & Sign Up for Information
https://docs.google.com/forms/d/e/1FAIpQLSfXHTTApHvJ9Bw49RQm6fbU3J41GTI7okHBnZ2pfOwxMIQGrA/viewform?_hsenc=p2ANqtz-8PuSjVQbcqlTricL5sJZ3nfGfFidz3V2LphjW3eh-vs7aCWrkuGYM_s16pPZGtY-zSbweAv3YdvjSdQOk3LFixahljb_u1_4dyfQLlnH9ao8L1ErE&_hsmi=84724696

Restaurant program to shift from service to meal preparation
The City of Birmingham is working with Birmingham's food and beverage industry partners to understand if a health-code compliant, meal preparation network can be created. Sign up for more information: https://bhamstrong.typeform.com/to/tBqaHJ

Volunteering your services
Small Businesses who want to volunteer services can do so at https://bhamstrong.typeform.com/to/vqUZdr

PRIVATE INDUSTRY & ORGANIZATIONS

Regions commits $2.5 million to help small businesses affected by coronavirus
https://www.bizjournals.com/birmingham/news/2020/03/20/regions-commits-2-5-million-to-help-small.html?ana=e_ae_set1&j=90500980&t=Afternoon&mkt_tok=eyJpIjoiTVdNM1pEVXdNMkUxTldOaylsInQiOiJmWVlxYjlva2JLanRRMnZucWFcL2NPQldGSWNEYTlSXC9Wa3ZqV2djejl5RXY1bDJ2RlZ0WVdzSDUyXC82MkgyY2Z2bHlyYXR2cEZiWDdMUTcyczlSeDNLRkIxSHVvZzFhRTd3TUdyXC9Va3VDZ2RpR0xWTVwvNVYrVW5xZmxERHgzanBTIn0%3D

U.S. Chamber of Commerce Resources
See https://www.uschamberfoundation.org/coronavirus
Disaster Help Desk for Business - https://www.uschamberfoundation.org/disaster-help-desk-business or 888-MY-BIZ-HELP.

Birmingham Business Alliance Resources
BBA has a webpage devoted to COVID-19 assistance here: https://www.birminghambusinessalliance.com/covid-resources

Google is offering $340 million in free ads for small businesses as part of coronavirus help package
https://www.cnbc.com/2020/03/27/google-offering-800m-coronavirus-help-package.html?__source=iosappshare%7Ccom.apple.UIKit.activity.Mail

SBA LENDERS IN ALABAMA

ATMORE

United Bank
Government Guaranteed Lending
200 E. Nashville Ave.
(251) 446-6172
www.unitedbank.com

BIRMINGHAM

Ameris Bank
1 Chase Corporate Center, suite 400
(205) 970-6180
www.amerisbank.com

BancorpSouth Bank
4680 Highway 280
(205) 408-1954
www.bancorpsouth.com

BBVA Compass Bank
15 S. 20th St., suite 201
(205) 732-4627
www.bbvacompass.com

Branch Banking and Trust Co.
2501 20th Place South
(205) 445-2344

Cadence Bank
17 N. 20th St.
(205) 327-3462
www.cadencebank.com

CB&S Bank
1301 Doug Baker Blvd.
(205) 408-7160
www.cbsbank.com

CenterState Bank
600 Luckie Drive, suite 200
(205) 313-8100
www.centerstatebank.com/

First US Bank
3291 US Highway 280, suite 100
(855) 736-3008
www.firstusbank.com

Iberia Bank
2340 Woodcrest Place
(205) 803-5828
504 loans (866) 622-4504
7(a) loans (404) 235-5550
www.iberiabank.com

Progress Bank and Trust
2121 Highland Ave. South
(205) 822-5500
www.myprogressbank.com

Regions Bank
1901 Sixth Ave. North
(205) 264-7512
www.regions.com

Renasant Bank
2001 Park Place, suite 600
(205) 327-4275
www.renasantbank.com

River Bank & Trust
(334) 290-1012
www.riverbankandtrust.com

Robertson Banking Co.
2917 Central Ave., suite 305, office 217
(334) 289-3564
www.robertsonbanking.com/index.htm

ServisFirst Bank
2500 Woodcrest Place
(866) 317-0810
smallbusinessloans@servisfirstbank.com
www.servisfirstbank.com

Southpoint Bank
3501 Grandview Parkway
(205) 503-5000
www.southpoint.bank

Synovus Bank
800 Shades Creek Parkway
(205) 868-6110
www.synovus.com

Southern Bank Co.
400 Office Park Drive, suite 220
Birmingham, Al 35223
(205) 868-1515
www.sobanco.com

United Community Bank
3800 Colonnade Parkway, suite 100
(205) 307-8422

Valley National Bank
1100 Corporate Parkway
(205) 408-2051
www.valley.com

Wells Fargo Bank
420 20thSt. North
(205) 254-5230

CALERA

Central State Bank
11025 Highway 25
(205) 668-0711
www.centralstatebank.com

ENTERPRISE

First Financial Bank
1247 Rucker Blvd., suite B
(334) 347-9944
enterprise.ag@ffb1.com (does poultry lending)

FORT PAYNE

First Financial Bank
2201 Gault Ave. North, suite G
(256) 845-4270
fortpayne.ag@ffb1.com

GARDENDALE

Peoples Bank of Alabama
GCAP Financing, a division of People's Bank
925 Sharit Ave., suite 213
(205) 631-8324
www.peoplesbankal.com

HOOVER

Bryant Bank
2721 John Hawkins Parkway
(205) 733-7560
www.bryantbank.com

JASPER

Pinnacle Bank
1811 Second Ave.
(205) 221-8868

LEEDS

Millennium Bank
7924 Parkway Drive
(205) 702-2265
www.millennial.bank

MOBILE

Commonwealth Business Bank
2214 St. Stephens Road
(251) 476-5938
www.ecommonwealthbank.com

SLOCOMB

Friend Bank
220 E. Lawrence Harris Highway
(334) 886-2367
www.friendbank.net

TALLADEGA

First Bank of Alabama
120 North St. East
(256) 362-2334

TUSCALOOSA

SmartBank
2301 University Blvd.
(205) 469-4000
www.smartbank.com