



# BRISTOL BAY

Regional Seafood Development Association

## **\*\* COVID-19 Economic Relief Guidance for Commercial Fishermen \*\***

Released April 10, 2020

### **Introduction**

The COVID-19 pandemic has caused significant economic disruptions, including within the seafood industry. This document provides an overview of programs, eligibility, and contact information for fishing business owners and their crewmembers.

### **What should you do first?**

1. Take a financial snapshot of your business by compiling these three core financial statements: balance sheet, income statement, cash flow statement. You're going to need this information to apply for aid.
2. Contact your lender. Check this SBA participating institution list to see if your lender is listed; talk with them about relief options they have available.
3. Stay informed on economic relief, disaster declaration, and other relevant developments that affect your industry.

### **Federal Economic Relief Programs**

The Coronavirus Aid, Relief and Economic Security (CARES) Act was recently signed into law and provides numerous relief programs, including extensive programs for small businesses. These aid programs will be directed through the Small Business Administration (SBA), state unemployment offices, and NOAA.

### **SBA Paycheck Protection Program (PPP)**

Program Website: [LINK](#)

#### Description

- The PPP is a forgivable loan designed to help businesses keep workers on the payroll
- These loans can be forgiven if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities
- Period: 2/15/20 - 6/30/20, application period began April 3

#### **Eligibility**

- Any small business concern that meets SBA's size standards, including sole proprietors, independent contractors, and self-employed persons

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## Details

- Commercial fishing businesses are self-employed and are eligible to apply for the PPP
- The loan is forgivable if certain requirements are met, including that 75% of funds must be used for payroll
- Loan amount equal to 2.5 times average monthly payroll costs
- Business owners may use money for mortgage interest, rent, utilities, interest on debts incurred before Feb. 15, but no more than 25% may be used on these costs to get complete loan forgiveness
- Payments to crewmembers issued a 1099 do not count toward payroll.
- This loan offers a \$100k limit, 1% interest rate, a term from 2-10 years, and is deferrable
- Crew members seeking benefits through this program must apply separately
- See other details in section below about 'Using a PPP Loan.'

## **SBA Economic Injury Disaster Loan and Emergency Advance (EIDL)**

Program Website: [LINK](#)

## Description

- Provides economic support to small businesses to help overcome the temporary loss of revenue from COVID-19
- Concurrent application for economic Injury Disaster Loan advance of up to \$10,000

## Eligibility

- Small businesses, cooperatives, non-profits, sole proprietors and independent contractors

## Details

- Loan amounts up to \$2 million
- Interest rates: 3.75% for small businesses, 2.75% for others
- Must have been in business on Jan. 31, 2020

## EIDL Advance

- Concurrent with EIDL loan application, provides advance of \$10,000
- This loan advance will not have to be repaid, even if denied an EIDL loan by the SBA
- You will receive the funds 3 days after your successful application.

## Allowable Uses

- Paying sick leave to employees who can't work due to COVID-19
- Maintaining payroll to retain employees
- Meeting increased costs for materials due to supply chain disruptions

- Making rent or mortgage payments
- Repaying obligations that can't be met due to revenue losses

#### Using an EIDL and PPP Loan

- You can apply for both an EIDL and PPP funding, including the loan advance
- You are NOT allowed to use the funds from both loans for the same purpose
- If you received an EIDL it may be refinanced into your PPP loan
- EIDL Advance will not be used to calculate your PPP loan amount, but the amount of your EIDL advance will reduce the amount of your forgivable loan under the PPP

#### **SBA Express Bridge Loans (EBL)**

Program Website: [LINK](#)

#### Description

- Provides SBA-guaranteed bridge loan financing for disaster-related purposes to small businesses located in communities affected by Presidentially-declared disasters while those small businesses apply for and await long-term financing

#### Eligibility

- Small businesses nationwide adversely impacted under the Coronavirus Disease Emergency Declaration
- Small businesses with an existing banking relationship with SBA Express Lender(s) on or before the date of the applicable disaster

#### Details

- EBL loans can only be made up to six months after the date of an applicable Presidential Disaster Declaration
- Loan amount up to \$25,000 guaranteed by the SBA

#### **SBA Debt Relief**

Program Website: [LINK](#)

#### Description

- SBA payment and deferral programs for current 7(a), 504, and microloans

#### Details

- Contact your SBA lender for information and eligibility

#### **CARES Act: Pandemic Unemployment Assistance**

Program Website: see links below, administered through State UI offices

Program News Release from U.S. Department of Labor: [LINK](#)

#### Description

- Provides Pandemic Unemployment Assistance to individuals that are self-employed and not eligible for regular Unemployment Insurance (UI) benefits

#### Eligibility

- Available to full-time, part-time, and self-employed workers (including commercial fishermen)

#### Details

- Benefits for a max of 39 weeks from Jan. 27, 2020 – Dec. 31, 2020
- Apply through your State's unemployment office:
  - Alaska: <https://labor.alaska.gov/unemployment/>
  - Washington: <https://esd.wa.gov/newsroom/covid-19>
    - Not available until April 18
  - Oregon: [https://govstatus.egov.com/ORUnemployment\\_COVID19](https://govstatus.egov.com/ORUnemployment_COVID19)
  - California: [https://www.edd.ca.gov/about\\_edd/coronavirus-2019.htm](https://www.edd.ca.gov/about_edd/coronavirus-2019.htm)
  - Contacts for other states: <https://www.dol.gov/general/location>
  - Most states recommend applying for UI benefits online

#### **CARES Act: Section 12005 Seafood Industry Assistance**

Program Website: [LINK](#)

#### Description & Details:

- Authorizes the Secretary of Commerce to provide \$300 million in appropriated funds to assist fishery participants affected by the novel coronavirus
- TBD, check NOAA Fisheries Coronavirus Update page and your state(s) marine fisheries commission for updates

#### **State Economic Relief Programs**

##### **Alaska: Sustaining Alaska's Future Economy Guaranty Program (AK SAFE)**

Program News Release: [LINK](#)

#### Description

- The Alaska Industrial Development and Export Authority (AIDEA) Sustaining Alaska's Future Economy Guaranty Program (AK SAFE)
- AIDEA will provide a loan guarantee up to \$1,000,000 per Borrower through approved banks and financial institutions

#### Eligibility

- Contact a lender from the [AIDEA list of participating lenders](#)