Economic Relief for Native Non-Profits
During Q&A

• Use the chat or Q&A box
• *9 to raise your hand if you’re on the phone
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Paycheck Protection Loan

General Terms - Definitions

- Covered Period
  - Beginning on February 15, 2020 and ending on June 30, 2020

Eligible Entities
- nonprofit organization means an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and that is exempt from taxation under section 501(a) of such Code

Payroll Costs Means
- the sum of payments of any compensation with respect to employees that is a salary, wage, commission, or similar compensation;
- A payment of cash tip or equivalent;
- The payment for vacation, parental, family, medical, or sick leave;
- An allowance for dismissal or separation;
- A payment required for the provisions of group health care benefits, including insurance premiums, any retirement benefit, or a payment of State or local tax assessed on the compensation of employees;
Qualifications

– 500 employees; or

– The size standard in number of employees established by the Administration for the industry in which the business concern, nonprofit organization, veteran's organization, or Tribal business concern operates.

– Inclusion of sole proprietors, independent contractors, and eligible self-employed individuals.

– Full time, part time, or other covered employee (not consultants)
• Not Covered
  – Compensation of an individual employee in excess of an annual salary of $100,000, as prorated for the covered period;
  – Taxes imposed or withheld under chapters 21, 22, or 24 of the Internal Revenue Code of 1986 during the covered period;
  – Any compensation of an employee whose principal place of residence is outside of the United States;
  – Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act; or
  – Qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act
Maximum Loan Amount – Lesser of
- the sum of the product obtained by multiplying the average total monthly payments by the applicant for payroll costs incurred during the 1-year period before the date on which the loan is made, by 2.5, or;
- $10 million

Payroll Costs Covered
- Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
- Employee salaries, commissions, or similar compensations;
- Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation);
- Rent including rent under a lease agreement;
- Utilities;
- Interest on any other debt obligations that were incurred before the covered period.
• The loan will be fully forgiven if
  – The funds are used for payroll costs, interest on mortgages, rent, and utilities
  – At least 75% of the forgiven amount must have been used for payroll.
  – The employer maintains or quickly rehires employees and maintains salary levels.
  – Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

• This loan has a maturity of 2 years and an interest rate of 1%.

• Loan payments will be deferred for six months.

• No collateral or personal guarantees are required.

• Neither the government nor lenders will charge small businesses any fees.
Preparation – Congressional Action

Negotiated Legislation – Subject to Change

- 310 billion for the PPP
- $60 billion for small Community Financial Institutions serving the underbanked and minority business participating in the PPP
  - Defines Community Financial Institutions as minority depository institutions, certified development companies, microloan intermediaries, and State or Federal Credit Unions.
    - $30 billion for loans made by insured institutions, credit unions with assets between $10 billion and $30 billion
    - $30 billion with assets below $10 billion for CDFIs, small insured depository institutions, and credit unions
- $10 billion for the EIDL program (Loans and Grants)
Strategic Approach:

- Targeted to small, rural, CDFI and other lenders serving the underbanked and minority business participating in the Paycheck Protection Program

- Find a Participating Bank - Native-owned banks

- Participating CDFIs – Alaska Growth Capital Fund, First Nations Community Financial, Native Community Capital, Muscogee Loan Fund
Loan Terms:

• This program is for any small business with less than 500 employees.

• Includes sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veteran's organizations.

• The Economic Injury Disaster Loan advance funds will be made available within days of a successful application.

• This loan advance will not have to be repaid.

Economic Injury Disaster Loan

$60 billion for EIDL

This loan advance will provide economic relief to businesses that are currently experiencing temporary difficulties.
Economic Stabilization Fund

Stabilization Fund - Purpose
$500 billion

To provide liquidity to eligible businesses, States, and municipalities related to losses incurred as a result of coronavirus, the Secretary is authorized to make loans, loan guarantees, and other investments in support of eligible businesses, States, and municipalities.

Stabilization Fund – Main Street

Businesses over 500 and up to 10,000 employees

Amounts up to $25 million

Loans can’t be forgiven

Eligibility is open – clarity may come later
Paycheck Protection Program Loans

- Contact your Banker ASAP
- 1st Round Applicants left out
- Have your application complete
- Double Check Calculations
Paycheck Protection Program Loans

- NAB is an SBA certified PPP lender
  - Tribal enterprises/non-profits
  - Reservation based businesses/non-profits
  - Urban Indian Non-Profits
  - Serving all of Indian Country
Paycheck Protection Program Loans

- PPP First Round
- NAB processed 100% of complete applications
- Totaling $16million, 63 customers
  - 12 non-profits
  - 24 Tribal Enterprises
  - 73% Native borrowers
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Questions and Answers

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