



BULLETIN #90/2020 JUNE 16, 2020

_CORONAVIRUS UPDATE #76

SBA RE-OPENS ECONOMIC INJURY DISASTER LOAN PROGRAM

MAIN STREET LENDING PROGRAM LENDER PORTAL IS OPEN

EMPLOYER UI PREMIUMS TO EVENTUALLY RISE

NADA COVID-19 RESOURCES

NADA DEALERSHIP LIFELINE WEBINARS CONCLUDE THIS WEEK

MASSACHUSETTS COVID-19 DAILY TRACKER

[This bulletin supplements our previous bulletins #11 and #16 through #89 on this subject matter. These bulletins are intended to be cumulative so we can avoid repeating the same information.]

SBA Reopens Economic Injury Disaster Loan Program

The Small Business Administration announced it is re-opening the [Economic Injury Disaster Loan \(EIDL\) and EIDL Advance program](#) to all eligible small business applicants experiencing hardship due to COVID-19. NADA reminds dealers that new [SBA Paycheck Protection Program](#) loan applications must be filed by **June 30**. Dealers may also want to consider the Federal Reserve Board's [Main Street Lending Program \(MSLP\)](#). *Note:* Borrowers may not have more than one PPP loan. Borrowers may apply for both an EIDL and a PPP loan, but cannot spend the funds on the same expenses. Interested dealers should consult with their CPAs and at least one prospective lender. A breakdown of the different programs:

- EIDL: Maximum loan \$2 million; maximum forgivable \$10,000; 3.75%/up to 30 years
- PPP: Maximum loan \$10 million; maximum forgivable is total loan amount spent on qualifying expenses; 1%/up to five years
- MSLP: Maximum loan \$35 million (can be higher by expanding an existing loan); none of the loan amount is forgivable; Libor + 300 points/up to five years

Dealers interested in these programs can review NADA's [CARES ACT FAQs](#). Additional information is available on NADA's [Coronavirus Hub](#).

Main Street Lending Program Lender Portal is Open

The Federal Reserve Bank of Boston announced that the [Main Street Lending Program lender portal](#) is now open. The program is designed to help ensure that small- and medium-sized businesses have access to the credit they need. The program will operate through three facilities: The Main Street New Loan Facility, the Main Street Priority Loan Facility, and the Main Street Expanded Loan Facility. Dealers interested in the MSLP can review NADA's [Main Street Lending Program FAQs](#)



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Businesses Could Face Huge Tab for Unemployment Crisis

Several months into a flood of new and continuing unemployment claims prompted by the COVID-19 outbreak, Massachusetts labor officials quietly estimated the fund used to pay out benefits will be billions of dollars in the red through at least 2024. As a result, businesses may need to pick up a huge tab.

The unemployment insurance trust fund [outlook report](#) for May, which the Executive Office of Labor and Workforce Development posted this month, forecasts that Massachusetts will need to seek federal loans and will likely increase payments that employers make toward unemployment insurance by as much as 65 percent compared to pre-pandemic levels.

As [first reported](#) by the Boston Business Journal, the latest outlook projects an unemployment fund deficit of \$3.1 billion by Jan. 1, 2021. Those shortfalls, which do not account for potential federal loans, are expected to last for years, rising to \$6.1 billion in 2022, \$6.6 billion in 2023 and then back down slightly to almost \$5.9 billion in 2024. Officials do not currently expect the fund to bring in more than it pays out in benefits until 2023.

Through April, the fund had a balance of \$1.4 billion. The massive, years-long deficit on the horizon is driven by an unprecedented level of unemployment aid, an obligation the state projects to be nearly \$6.4 billion in 2020 -- more than five times as much as last year -- and \$5.1 billion in 2021.

Business premiums generate the money distributed to laid-off workers, and those mandatory payments are set to rise starting in 2021. The May report projected the average cost per employee will rise from \$562 in 2020 to \$759 in 2021, \$880 in 2022 and \$922 in 2023. In the meantime, the Baker administration will need to secure federal loans to keep unemployment benefits flowing while work continues on economic recovery.

NADA Dealership Lifeline Webinars Will Conclude This Week

NADA will conduct the following webinars next week:

- **Wednesday, June 17, 1pm-2pm ET:** [Build a Post Pandemic Dealership Using Simple Tech](#). Kimoby's Julie Blackburn and Anastasia Gileva will discuss how text messaging can help dealerships mitigate the impact that the pandemic has had on their businesses and identify new ways to protect their bottom lines.
- **Thursday, June 18, 1pm-2pm ET:** [The Modern F&I Office](#). Jason Swiech of CDK Global will explain how modern retailing strategies are extending to F&I and how to ensure workflows—and revenue—remain stable with changing customer behaviors.

Recordings of [all webinars in NADA's Lifeline Series](#) are available to NADA and ATD members 24/7, free of charge. Click [here](#).



NADA COVID-19 Resources for Dealers

NADA has produced a tremendous amount of resources to help dealers and their operations during the Coronavirus pandemic. A prolific source of information has been the NADA regulatory affairs team, by way of guidance, analysis, interpretation and explanation. The regulatory affairs group has recently worked with the NADA public affairs team to reorganize all of the regulatory compliance materials on the NADA Coronavirus Hub. The trove of materials is now organized by “Information” and by “Key Documents.” Hot links lead you to every individual item/resource. The site and the links will be updated continuously. Bookmark the address, and click on the links as you need them for the latest versions of everything, such as CARES Act, SBA, PPP, Tax Relief, and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

Daily Massachusetts COVID-19 Tracker

The state’s COVID-19 Dashboard with up-to-the-date data can be found [here](#).

MSADA - YOUR DEALER ANSWER PLACE