

Sanford Insurance Agency, Inc.
American Church Group of New England, LLC.

TO: All Church Leaders

FROM: Mike Sanford, Sanford Insurance Group/American Church Group of New England, LLC.

RE: CARES Act Response to Coronavirus (COVID-19) Affecting Ministries

Churches and other non-profit entities are eligible to apply to the federal government under the CARES Act ("The Act").

This applies to ministries with fewer than 500 employees. The dates run from February 15, 2020 to June 30, 2020 unless Congress extends the program. There is \$350 billion available. SBA loans are available for 10 years at an interest rate of four percent (4%). If the loan is used for the following, the loan will be forgiven as a grant:

- Payroll costs (includes 1099 independent contractors)
- Healthcare (group and individual health insurance)
- Employee salaries, commissions, and other compensation
- Rent
- Utilities
- Interest on mortgage or other debt obligations
- We believe housing allowance (but The Act does not specify).

The SBA loan becomes a grant if used for the above purposes within the 8 week period.

Church employers generally do not qualify as covered by unemployment law. However, the wording in The Act states that this applies to "persons not traditionally eligible for unemployment benefits" and therefore we consider this to be covered since churches and other non-profit organizations are covered under The Act.

Employers of non-profit entities may also withdraw (without the normal 10% penalty) up to \$100,000 and may also take loans on 403(b) programs without penalty.

Any mortgage backed by a federal agency will receive foreclosure forbearance for a period of six months. Payments may be delayed for sixty days.

If you can have the federal government electronically forward the funds to your bank account, it will expedite transfer as opposed to by mail.

We will continue to forward information as available and appropriate.

Sincerely,



M.E. "Mike" Sanford, III

MBA/CPIA

Managing Agent

American Church Group of New England, LLC.

Sanford Insurance Agency, Inc.

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