



## **INFORMATION ABOUT ORGANIZATIONAL LINE OF CREDIT DUE TO THE COVID-19 PANDEMIC**

### ***PLEASE READ BEFORE APPLYING***

The Brethren in Christ Foundation is offering lines of credit (LOCs) to those BIC U.S. organizations who qualify for a loan. This is a short-term line of credit designed to assist organizations whose income has been negatively affected due to the COVID-19 pandemic. Please see below for the specifics about the line of credit loan program.

#### **WHO CAN APPLY?**

*All BIC U.S. organizations are welcome to apply.*

#### **WHAT ARE THE PREREQUISITES TO APPLY?**

*If you currently have a loan with the Foundation, it must be in good standing.*

#### **IS THERE A DEADLINE TO SUBMIT AN APPLICATION?**

*Currently, the deadline to receive a completed application is August 1, 2020.*

#### **WHAT IS THE MAXIMUM AMOUNT WE CAN APPLY FOR?**

*For an organization, the maximum amount of the line of credit will be equal to 2.5 times your average monthly payroll costs for 2019, as defined in the Paycheck Protection Program (PPP) administered by the Small Business Administration. This is the same amount you can apply for in the PPP.*

*As an example, if your average monthly payroll costs for 2019 were \$10,000, then the maximum LOC for which you could apply would be \$25,000. (\$10,000 times 2.5)*

#### **IS APPROVAL OF OUR APPLICATION GUARANTEED?**

*Loan approval is based on a number of factors, including but not limited to an organization's financial health, current engagement with BIC U.S., and current relationship with the BIC Foundation. Approvals will be based on appropriate underwriting guidelines and therefore cannot be guaranteed.*

#### **HOW MUCH OF THE LINE OF CREDIT CAN WE DRAW?**

*You may request and use the difference between your 2019 average weekly (or monthly) income and your actual 2020 income for that week (or month).*

*As an example, if your 2019 average weekly income was \$5,000, and you received \$2,000 in undesignated income this past week, you could draw \$3,000 from the LOC for that week.*

#### **WHEN CAN WE USE THE LINE OF CREDIT?**

*Draws on the LOC may be requested as often as weekly, but may be on a less frequent basis if that is preferable. Note that you may request a draw at any time for any part of the period going back to March 1, 2020. In other words, you may backdate your draw requests as far back as March 1, 2020.*

*Draws may be requested only up to the latter of November 1, 2020 or the lifting of COVID-19 restrictions.*

#### **WHAT IS THE INTEREST RATE?**

*The interest rate is variable and will be based on the Prime Rate plus 0.50% (currently 3.75%) as published in the Wall Street Journal on October 30, 2020, April 30, 2021, October 29, 2021, and April 29, 2022. Rates will then be adjusted on the first day of the following month, specifically November 1, 2020, May 1, 2021, November 1, 2021, and May 1, 2022.*

#### **WHAT IS THE TERM OF THE LOAN?**

*All principal and outstanding interest must be paid in full on or before August 1, 2022.*

#### **HOW DOES REPAYMENT WORK? WHEN ARE PAYMENTS DUE?**

*Payments are collected via ACH on the first business day of the month. Interest will begin to accrue on August 1, 2020. If the line of credit is repaid in full by November 1, 2020, the interest will be forgiven and no interest will be due.*

*If not paid in full by November 1, 2020, all interest accrued since August 1, 2020 will be due and payable on that date. Going forward, the minimum payment due will be the interest accrued since the last payment. Interest will be calculated on a Simple Daily Interest basis.*

*Principal can be repaid at any time, but all outstanding principal and interest must be paid in full by August 1, 2022.*

#### **HOW DO WE APPLY?**

*The application can be found at [bicfoundation.org](http://bicfoundation.org) and also at [bicus.org/resources/covid-19](http://bicus.org/resources/covid-19).*

*Fill out the application and resolution and email them to John Burns, Loan Officer, at the BIC Foundation ([jburns@bicfoundation.org](mailto:jburns@bicfoundation.org)). Note that all application questions must be answered and all information must be provided. Incomplete applications will be returned.*

#### **WHAT IF WE HAVE ADDITIONAL QUESTIONS?**

*Contact John Burns, Loan Officer, with any additional questions at [jburns@bicfoundation.org](mailto:jburns@bicfoundation.org) or 717-796-4788 x5438.*