

**From:** [Sue Teitsma](#)  
**To:** [Sue Teitsma](#)  
**Subject:** Economic Injury Disaster Loan (EIDL) program  
**Date:** Monday, April 6, 2020 10:50:31 AM  
**Attachments:** [image007.png](#)  
**Importance:** High

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Dear GLR Churches,

By now, you are likely aware of the Paycheck Protection Program (PPP) grant program. Some banks began receiving applications for this program on Friday. Over the weekend, the SBA issued additional guidance, so your bank may request more information. Some banks also delayed accepting applications as they waited for clarification from the SBA and have now begun taking the applications.

The SBA continues to release additional rules and guidance. Importantly, the SBA released a report that specifically resolved religious organizations' concerns that accepting a government loan would impact religious liberties or subject them to certain government regulations, specifically regarding non-discrimination in hiring. You can find even more information on PPP at <https://thegl.org/cares-act/>. As a reminder, **the PPP grant is awarded on a first come first serve basis, so it is critical that you submit your application ASAP as the program is widely expected to run out of money quickly.**

While the PPP grant program is likely the best solution for most churches, **I wanted to make you aware of another program that may be a fit for smaller churches.** The program is called the Economic Injury Disaster Loan (EIDL) program. This is an existing SBA loan program designed to help businesses recover from natural disasters impacting their business. The CARES Act made two important changes to this program:

- Religious organizations (including churches) are eligible to participate in this program.
- The first \$10K can be forgiven if the money is spent on eligible expenses, which are very similar to the eligible expenses in PPP (payroll, rent, utilities, interest on debt). The SBA is allowing this first \$10K to be an emergency advance with the banks giving out the payment (of \$10k) within 3 days of application.

**For churches who would otherwise qualify for a PPP loan of \$10K or less, the EIDL may be a simpler and faster option than PPP.** If

you request more than \$10K, that amount must be paid back like a traditional loan. Unlike PPP, **churches can apply for an EIDL directly to the SBA at this website:** <https://covid19relief.sba.gov/#/>

While you can apply for both the PPP and EIDL, the proceeds of the programs cannot be spent on the same expenses. For example, if you obtain a PPP loan to pay your payroll costs, you cannot also claim that you spent EIDL on those same payroll costs.

Many churches are finding they qualify for a PPP loan amount that is larger than \$10k (which they will spend on eligible expenses over 8 weeks). For those churches, the EIDL \$10K grant is not the way to go. But, if your church's payroll, utilities, and interest payments over an 8-week period is less than \$10k, than the EIDL program might be a great program for you.

If you have questions about either program, I'm happy to help. My contact information is below.

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