



# COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

DIVISION OF BANKS

1000 Washington Street, 10<sup>TH</sup> Floor, Boston, MA 02118-6200  
(617) 956-1500 · Fax (617) 956-1599 · TDD (617) 956-1577  
www.Mass.Gov/DOB

**MIKE KENNEALY**  
SECRETARY OF HOUSING AND  
ECONOMIC DEVELOPMENT

**EDWARD PALLESCHI**  
UNDERSECRETARY

**MARY L. GALLAGHER**  
COMMISSIONER

**CHARLES D. BAKER**  
GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

## AVAILABILITY OF EMERGENCY RELIEF FOR SMALL BUSINESSES AS OF DECEMBER 31, 2021

This memorandum serves as an informational summary prepared on behalf of the Massachusetts Division of Banks (the Division) regarding the availability of COVID-19 related relief to small businesses within the Commonwealth, as of December 31, 2021. This memorandum also serves as an informational summary prepared on behalf of the Small Business Loan Review Board (the Board) regarding the availability of credit to small businesses within the Commonwealth, as of December 31, 2021, in accordance with the provisions of G.L. c. 167, § 14C.

The primary goal of this memorandum is to better understand the type and availability of emergency-related relief to small businesses within the Commonwealth. It is beyond the scope of this memorandum to offer an explanation or evaluation as to the observed outcomes. Rather, this memorandum's descriptive contribution is intended to be an assessment of relief available to small businesses with the best data available to the Division.

### **SBA Paycheck Protection Program**

The Paycheck Protection Program (PPP) was a loan program provided by the Small Business Administration (SBA) designed to provide a direct incentive for small businesses to keep workers on the payroll. Loans were up to \$10M, with a 1.0% interest rate and a two-year maturity. There were no payments for the first six months. Businesses were eligible for full loan forgiveness if all employees were kept on the payroll for eight weeks and the money was used for payroll, rent, mortgage interest, or utilities.

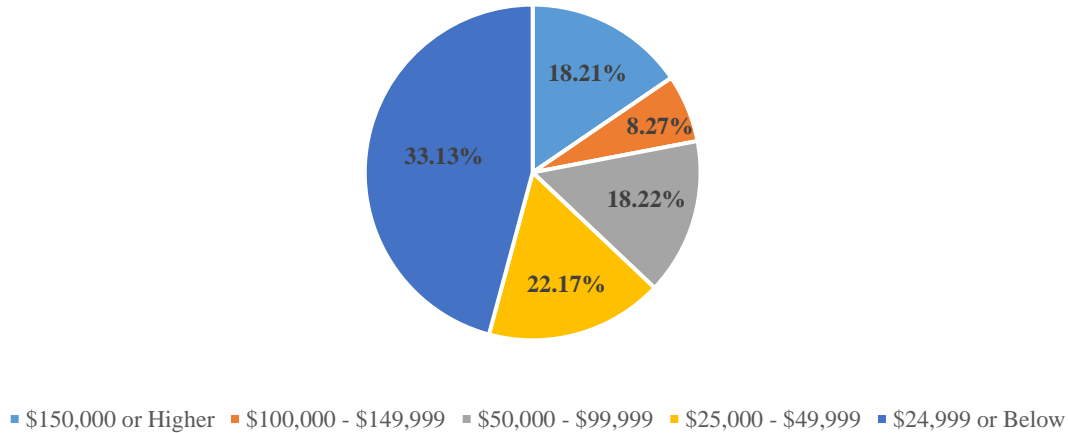
Additionally, the SBA offered eligible borrowers that previously received a PPP loan to apply for a "Second Draw PPP Loan", with the same general terms as their First Draw PPP loan. These Second Draw PPP loans could be used to help fund payroll, rent, mortgage interest, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism, and certain supplier costs and expenses for operations. Second Draw PPP Loan eligibility was limited to businesses who received a First Draw PPP Loan who used the amount only for authorized purposes, had no more than 300 employees, and could demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

For most borrowers, the maximum loan amount of a Second Draw PPP loan was 2.5x the average monthly 2019 or 2020 payroll costs, up to \$2 million. For borrowers in the Accommodation and Food

Services sector, the maximum loan amount for a Second Draw PPP loan was 3.5x the average monthly 2019 or 2020 payroll costs, up to \$2 million.

In 2021, Massachusetts companies received 103,507 loans under the PPP program, totaling more than \$6.8 billion in assistance.

### PPP Loan Amounts in the Commonwealth



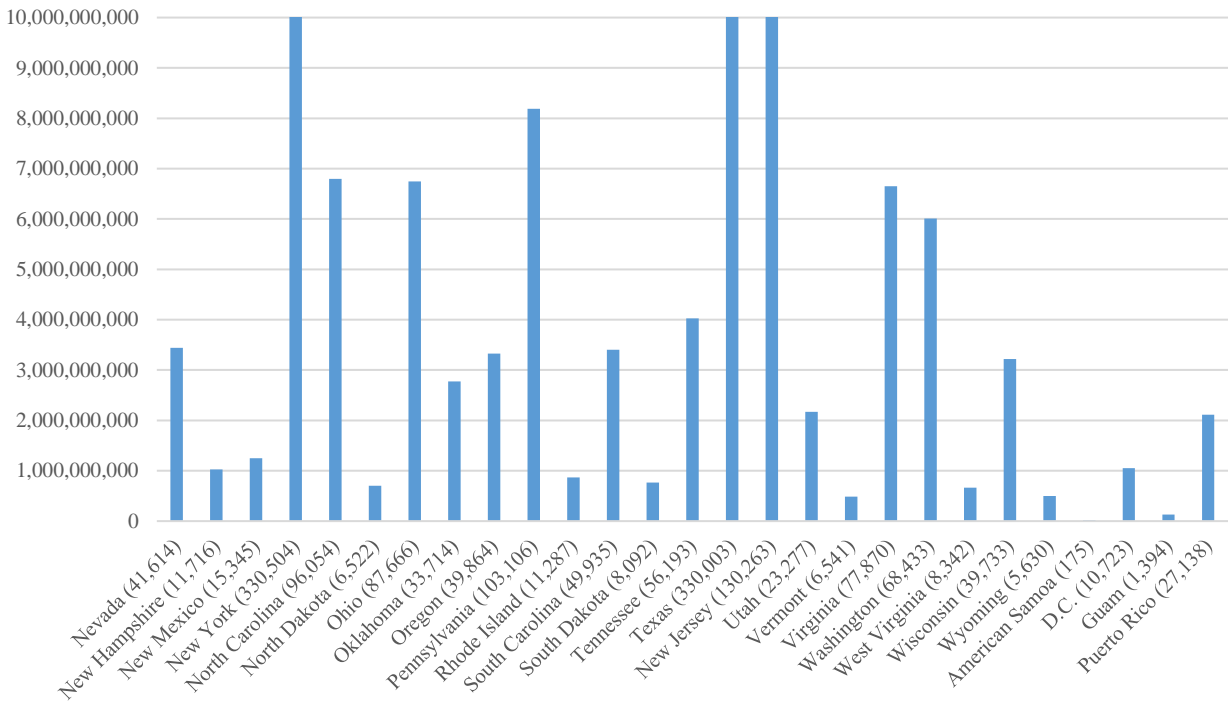
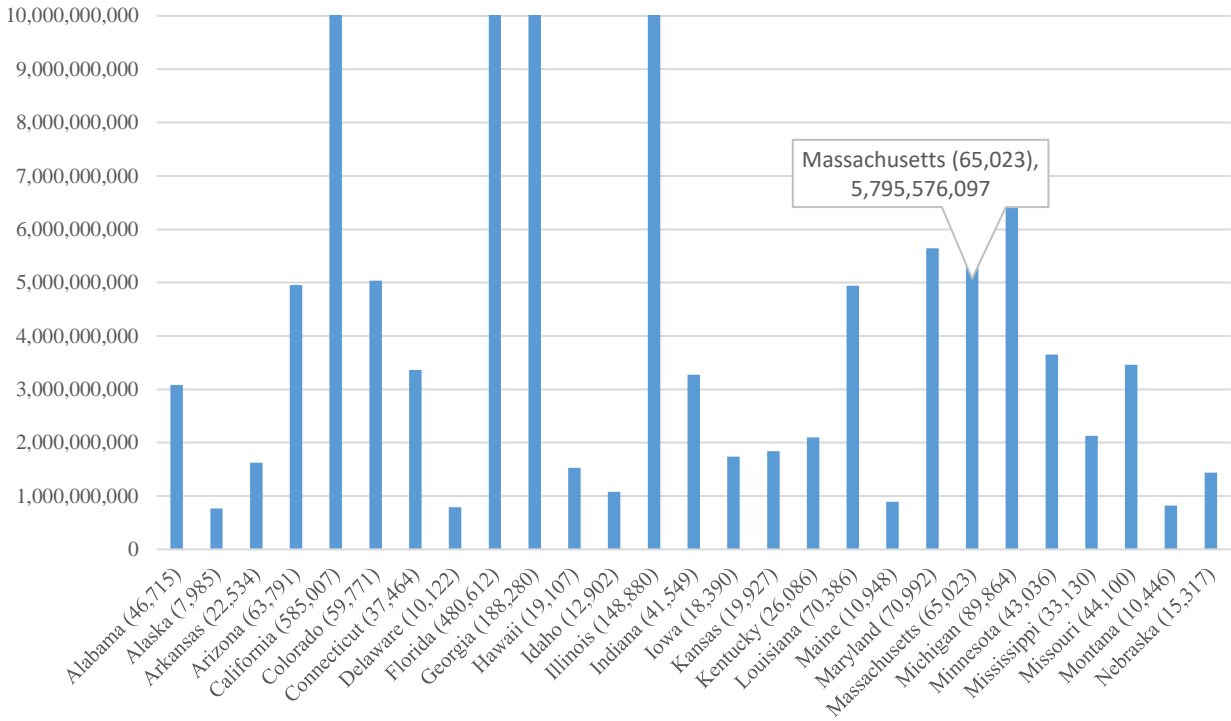
Massachusetts industries provided with the largest PPP assistance consisted of the Professional, Scientific, and Technical Services industry, the Health Care and Social Assistance industry, and the Accommodation and Food Services Industry. Two of these, the Health Care and Social Assistance industry and the Accommodation and Food Services industry, also had the highest share of unemployment claims since the beginning of the pandemic.

### SBA Economic Injury Disaster Loan (EIDL) Program

The EIDL program provided economic relief to small businesses, private non-profit organizations of any size, small agricultural cooperatives, and small aquaculture enterprises that were financially impacted as a direct result of the Coronavirus (COVID-19). Eligible enterprises were eligible for up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred. The interest rate was 3.75 percent for small businesses. The interest rate for private non-profit organizations was 2.75 percent. The SBA offered loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years and were available to entities without the financial ability to offset the adverse impact without hardship.

In 2021, Massachusetts businesses were approved for 65,023 under this program and received a total of \$5,795,576,097.

## Economic Injury Disaster Loan Program Assistance

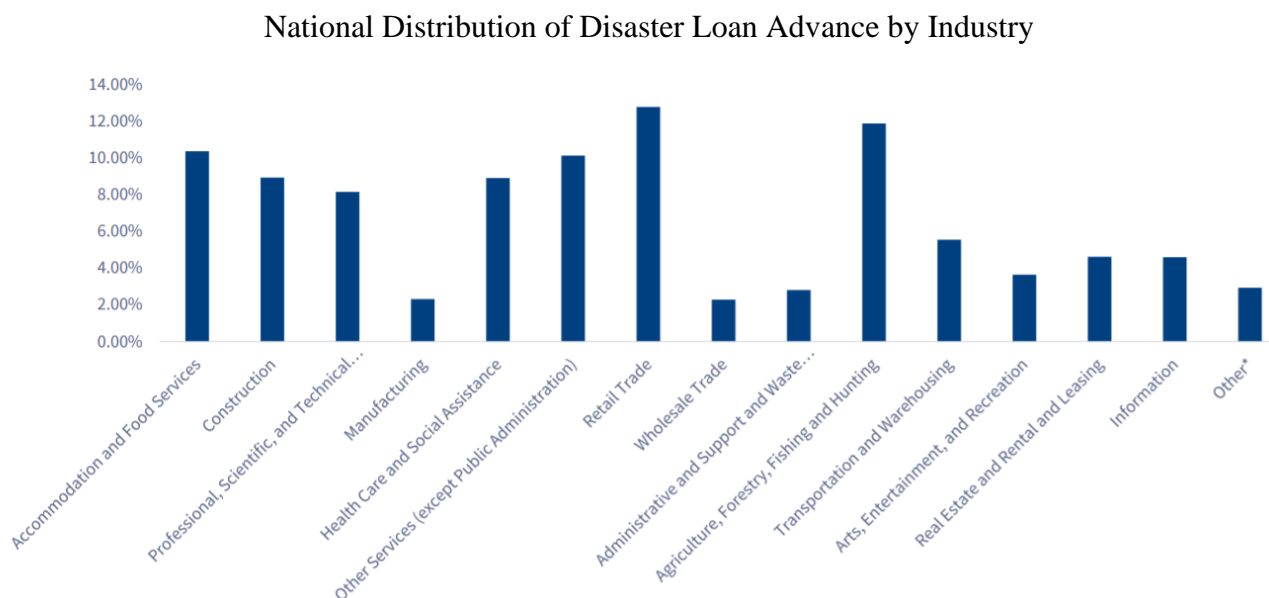


\*Number of Economic Injury Disaster Loans contained in parentheses.

## SBA Economic Injury Disaster Loan Advance

The SBA also provided relief in the form of an Economic Injury Disaster Loan Advance. This was a grant program offered together with the Economic Injury Loan Program. The amount of the grants was determined by the number of employees indicated on the EIDL application for \$1,000 per employee up to a maximum of \$10,000.

In 2021, Massachusetts businesses were approved for 10,036 under this program and received a total of \$87,376,000.



## SBA Express Bridge Loans

Through its Express Bridge Loan Program, the SBA allowed small business with a pre-existing business relationship with an SBA Express Lender to access up to \$25,000. These loans provided vital economic support to small business to overcome the temporary loss of revenue and could have been term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster Loan.

## SBA Debt Relief Program

The SBA also offered debt relief to small businesses. Under this relief, the SBA automatically paid the principal and interest for six months for qualifying holders of 7(a) loans, 504, and microloans.

Loans made under the Paycheck Protection Program were not eligible for debt relief under this program.