DEALING WITH THE FINANCIAL IMPACT OF THE CORONAVIRUS

A COVID-19 FINANCIAL RESOURCE GUIDE FOR NYC RESIDENTS & SMALL BUSINESSES

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INTRODUCTION

With the spread of the coronavirus or COVID-19, communities are being financially impacted as many suffer loss of income as a result of becoming ill or due to the temporary closure of businesses. In these uncertain times, it is important to be proactive when faced with financial distress. Below are essential tips and resources New Yorkers will find helpful from the City Bar Justice Center’s Neighborhood Entrepreneur Law Project, Consumer Bankruptcy Project, and Homeowner Stability Project.

HOW TO USE THIS GUIDE

Most of the tips and resources provided in this guide apply to individuals, consumers, small business owners, renters and homeowners in New York. There are topics relevant to each group. Sort through the Table of Contents (on the next page) and click on the topic for which you are seeking information, to be taken at the particular section of the guide.

There will be many programs, forms of assistance, and services developing in the coming days and weeks to assist New Yorkers affected by the coronavirus outbreak. Be sure to check back for updates because the resources in this guide will change from time to time.

Disclaimer: Please note the contents of this guide are current as of May 8, 2020.
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Individuals Seeking Benefits

Loss of Income
1. Do not exhaust your life savings, cash out 401ks, or take on new debt.
2. Contact the Department of Labor. Currently, NYS is waiving the 7-day waiting period for Unemployment Insurance Benefits for people who are out of work as a result of the coronavirus.
3. For rental, cash assistance, and food assistance, contact the NYC Human Resources Administration at https://www1.nyc.gov/site/hra/index.page.
4. According to Forbes, many banks are waiving the monthly service fees as well as penalties for early CD withdrawals.

Unemployment Insurance Benefits
On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Under the CARES Act, additional unemployment insurance assistance will be provided to workers affected by the COVID-19 crisis.

2. Pandemic Emergency Unemployment Compensation (PEUC) – will provide an additional 13 weeks of unemployment benefits to those who exhaust their 26 weeks of regular NYS unemployment payments.
3. Pandemic Unemployment Assistance (PUA) – will provide regular NYS unemployment benefits to displaced workers affected by the COVID-19 crisis and who otherwise would not be eligible for traditional unemployment payments. Independent contractors, gig workers, and self-employed workers are examples of those who would benefit from the PUA. In addition to the regular unemployment benefits, these workers will also be eligible to receive the additional $600 under the PUC, mentioned above.

For more information, visit the NYS Department of Labor: https://www.labor.ny.gov/ui/pdfs/ui-covid-faq.pdf

Paid Sick Leave
On March 18, 2020, NYS passed the Guaranteed Sick Leave and Expedited Unemployment Insurance. This new law will allow employees, who are subject to mandatory or precautionary quarantine due to the coronavirus pandemic, to obtain emergency paid leave, the ability to qualify for paid family leave and temporary disability benefits. Employees will be entitled to full job protection during the entirety of their absence. Furthermore, employees will not have to use their accrued leave before receiving these benefits.
1. Employees working for small employers, with 1-10 employees, will receive unpaid sick days.

2. For employees working for medium sized employers (11-99 employees) and small employers (1-10 employees) with a net income of $1 million a year, employees will receive five paid sick days.

3. Employees working for large employers, with 100 or more employees, will receive paid sick days for the entirety of the quarantine, up to 14 days.

4. The bill does not cover those who have been quarantined as a result of having returned from a country for which the CDC has imposed a travel health notice on, unless the travel was part of the employee’s employment.

Health Benefits and Insurance
1. In response to the COVID-19 outbreak, Medicare has temporarily expanded its coverage of telehealth services to allow Medicare recipients to visit with their doctors via a 2-way telecommunications system, like audio or video, instead of having to go to the doctor’s office.

2. NY State of Health has implemented a special enrollment period from March 16th through April 15th for New Yorkers to enroll in health insurance through the marketplace and directly through insurers. Individuals who enroll in a Qualified Health Plan during the special enrollment period will have coverage effective April 1st.

   a. Go to https://nystateofhealth.ny.gov/ for more information.

   b. Visit the CSS Navigator Network (CNN), 1-888-614-5400, enroll@cssny.org for assistance in applying for health insurance through the NY State of Health Marketplace.
Tips and Resources for Consumers

Federal Student Loan Payments
Defaulting on federal student loans can cause the Department of Education to offset tax refunds, garnish wages, or freeze bank accounts. It is important to stay current on student loans by entering into an affordable repayment plan, requesting deferment, or obtaining forbearance.

1. Student repayment options
   a. Enter into an affordable student loan repayment plan:
      i. If you have not already done so, enter into an affordable student loan repayment option offered by the Department of Education for those with federal student loans.
   b. Lower student loan payments
      i. If you are already in an income contingent repayment plan, have the student loan servicer recalculate your monthly payments with your new financial situation.

2. Student loan interest waivers
   a. President Trump announced a waiver of student loan interest for borrowers with federal student loans. This temporary option will not reduce the monthly payments but instead apply them to principal only, lowering the amount of the student loan over time.

3. If you are disabled, consider the student loan disability forgiveness option.

Credit Card and Other Loan Payments
1. If possible, pay the minimum to stay current on your credit card debts.
2. Avoid incurring new debt.
3. If you’re worried that you’ll be late with a payment, call your creditor right away. Many creditors are waiving late fees, extending payment and offering other ways to help consumers affected by the coronavirus situation.

Debts Owed to New York State
1. NYS will temporarily stop collection of medical debt owed to New York’s five state hospitals and five state veterans’ homes.
2. NYS will also halt collection on student debt owed to SUNY campuses.
3. For other types of debts owed to NYS that have been referred to the Office of Attorney General, consumers can apply for a temporary suspension of debt collection.

Federal Income Taxes
1. On March 18, 2020, Treasury Secretary Steven Mnuchin, announced that the U.S. government will give taxpayers an additional 90 days, beyond the April 15 tax deadline, to pay their 2019 tax bills. For more details, go to IRS.gov
Resources and Aid for Small Businesses

The City Bar Justice Center’s Neighborhood Entrepreneur Law Project (NELP) has recently launched the COVID-19 Remote Small Business Legal Clinic (CV-19 Clinic). The CV-19 Clinic will offer limited scope pro bono legal consultations to entrepreneurs and small business owners (with fewer than 100 employees) to help them understand and act upon options available under the federal government’s COVID-19 stimulus package and other opportunities available through federal, state and local programs. CV-19 Clinic consultations will also prepare clients to navigate broader legal issues arising from the COVID-19 pandemic. Areas of advice include: small business loans & grants, contracts & force majeure clauses, employment law matters, real estate and commercial leasing issues, and insurance matters. To participate in the CV-19 Clinics, put in a request for assistance by filling out our online intake form. Qualified applicants can expect to be contacted by an attorney within 3 business days.

Loans and Grants

There are several government-backed and privately funded resources available to small business owners in New York City who are struggling in the face of the COVID-19 global pandemic. We have gathered a list of such resources here and we are keeping the list updated to the best of our ability. However, please note that the landscape is changing rapidly on a day-to-day basis, and you should always conduct your own further research.

The loan and grant funds included in this list are limited, and they will be issued on a first-come-first-serve basis. Eligible applicants should submit their requests for assistance as soon as possible, so as to ensure the best chance of receiving funds.

1. **Government Loan & Grant Programs**
   a. The United States’ Small Business Administration (SBA) will be providing disaster relief funding in the form of low-interest loans provided for small businesses and non-profits.
   i. **Paycheck Protection Program** (PPP): has resumed accepting applications as of April 27, 2020. PPP offers SBA loans designed to assist small businesses to keep their workers on payroll. The loan, which has a maturity of 2 years and an interest rate of 1%, may be used to cover other expenses including rent, utilities, interest on mortgages, but these costs can only make up 25% or less of the total loan amount. The SBA will provide loan forgiveness based on the maintenance of personnel and salaries.

   Visit this page to search for authorized SBA lenders who may be participating in PPP. Please note that results will include all lenders qualified to participate in PPP, not all of those lenders may actually be participating. For information about what you will need to apply for a PPP loan, see the PPP Borrower Application Form.
ii. **Economic Injury Disaster Loan (EIDL):** SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program based on available appropriations funding. SBA has resumed processing EIDL applications that were submitted before the portal stopped accepting new applications on April 15 and will be processing these applications on a first-come, first-served basis. SBA will begin accepting new EIDL applications on a limited basis only to provide relief to U.S. agricultural businesses.

iii. **Economic Injury Disaster Loan (EIDL) Emergency Advance:** SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL) Emergency Advance program based on available appropriations funding. EIDL applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis. SBA will begin accepting new EIDL Emergency Advance applications on a limited basis only to provide relief to U.S. agricultural businesses.

iv. **SBA Debt Relief:** SBA will automatically pay 6 months of principal, interest, and any associated fees that borrowers owe for all current 7(a), 504, and Microloans in regular servicing status as well as new 7(a), 504, and Microloans disbursed prior to September 27, 2020. This relief is not available for Paycheck Protection Program loans or Economic Injury Disaster loans. For borrowers of current SBA Serviced Disaster Loans in “regular servicing” status as of March 1, 2020, the SBA is providing automatic deferments through December 31, 2020. Please visit the SBA Debt Relief [website](#) for more information about automatic deferral.

v. The SBA has released a more general guide for businesses and employers responding to the COVID-19 outbreak, which can be found [here](#).

b. **New York City’s Department of Small Business Services** is offering assistance for small businesses across NYC impacted by the COVID-19 pandemic.

i. **NYC Small Business Continuity Loan Fund** has paused applications due to overwhelming demand. To sign up for updates from the NYC Department of Small Business Services, click [here](#).

2. **Private Loan & Grant Programs**

a. For Restaurant Workers: The Restaurant Workers’ Community Foundation (RWCF) announced its [COVID-19 Crisis Relief Fund](#), offering zero interest loans to restaurant businesses as well as relief funding for individual workers facing economic hardships or health crises as a direct result of COVID-19. Sign up for the RWCF [newsletter](#) to be notified when applications open.

b. **USBG National Charity Foundation** has launched the [Bartender Emergency Assistance Program](#) to provide emergency assistance grants to Bartenders, their spouses or children, who...
have experienced a catastrophic event or emergency. Go to their [website](#) to learn more about their eligibility guidelines and application process.

c. The [Red Backpack Fund](#) is allocating $5 million in grant funds to support female entrepreneurs in the wake of COVID-19. At least 1,000 grants will be distributed between May and September of 2020 in the amount of $5,000 each. Applications are currently being accepted from small, majority women-owned businesses and nonprofits in the United States. The Red Backpack Fund will conduct five rounds of applications; the current round of applications will be open through May 11 at 12 p.m. ET. Subsequent application rounds will open on June 1, July 6, and Aug. 3. Begin your application [here](#).

d. Renaissance Economic Development Corporation (REDC) has created the [Emergency Small Business Relief Loan Fund](#) to provide loans of up to $50,000 to for-profit business entities operating legally in certain neighborhoods in Manhattan, Queens, and Brooklyn. Applicants must be able to demonstrate at least a 25% decrease in sales due to COVID-19. Loans will carry an interest rate of 3% and a term of up to 48 months. The program will expire August 31, 2020. To initiate the application process, fill out the online [interest form](#).

e. 18 charitable foundations have teamed up to create the [NYC COVID-19 Response & Impact Fund](#), a $75 million funding pool administered by the New York Community Trust that will distribute interest-free loans to small and mid-size non-profits, including social services and arts and cultural organizations. Priority will be given to direct service providers. Interested organizations can apply for a loan using the [online application portal](#).

f. [Artist Relief](#) will distribute several $5,000 grants between now and September 2020 to practicing artists facing dire financial emergencies as a result of the COVID-19 pandemic. Applications will be reviewed on a week-by-week basis and qualifying applications will be selected via a lottery process for funding each week. Artists who do not receive funding are invited to re-apply each month. To apply for the grant, submit your information through the [online application platform](#).

g. Brooklyn Community Foundation has launched the [Brooklyn COVID-19 Response Fund](#) to provide immediate response grants of up to $10,000 to nonprofits that work towards racial equity, are led by members of affected communities, and center the voices of those directly impacted by structural racism in decision-making. Applications, which can be filed [online](#) and, will be reviewed on a rolling basis through June 30, 2020.

h. Robin Hood’s [COVID-19 Relief Fund](#) is accepting applications from 501(c)(3) non-profit organizations on the front lines in New York City for immediate response grants averaging $45,000. Priority will be given to applicants that serve vulnerable populations, provide or will expand services to include emergency assistance, and
have good track records with administering emergency cash grants to individuals and families. Interested organizations should complete the online application, which will be reviewed on a rolling basis.

i. Hello Alice, through its new COVID-19 Business for All Grant program, is offering $10,000 emergency grants, being distributed immediately to small business owners impacted by this pandemic. If your business has been severely impacted by COVID-19, you can apply for immediate grant support by completing the COVID19 Business for All Grant application.

j. Between now and June 30, 2020, eBay’s Up & Running program is offering free online retailing services to businesses looking to transition to online retail. When you register as a new business seller, you will receive a Basic Store for free for three months and pay no selling fees on your first 500 orders through June 30. Register your business here.

k. The Zakat Fund of NYC is offering financial support to 501(c)(3) non-profit organizations whose missions are Zakat eligible, whose funds are distributed to the benefits of the NYC Metro Area, and who have a clear established process to monitor the use of Zakat Funds. Learn more and apply for organizational funding here.

l. LISC is offering Small Business Relief Grants of $5,000, $7,500, and $10,000 to small businesses across the country negatively impacted by COVID-19. The third round of applications will open May 14.

m. The West Side Community Fund is now accepting applications for the West Side Small Business Grants. Through the WSSBG program, grants of $5,000 to $10,000 will be awarded to several small businesses (with priority given to businesses owned by people of color, immigrants, and women) to fill gaps in funding. Small businesses operating on the West Side of Manhattan located roughly between 14th St and 42nd St are encouraged to apply here.

n. Bronx Overall Economic Development Corporation (BOEDC) is offering zero-interest, 2-year loans of $25-100K to Bronx-based small businesses on a first-come-first-served basis. Contact RRoger@BOEDC.org or PBarry@BOEDC.org for more information.

Federal Income Taxes and the IRS
1. The IRS and the Treasury Department will give individuals and small business owners a 90-day extension to pay their 2019 tax bills, without interest and penalties. For more info, go to IRS.gov.

2. IRS Employee Retention Credit: a refundable tax credit designed to keep employees on payroll. The refundable tax credit is available against certain employment taxes equal to
50% of up to $10,000 per employee in qualified wages paid by an eligible employer whose business has been impacted by COVID-19.

Guides for Employers/Employees and Additional Resources

1. The U.S. Chamber shared informative graphics based on the CDC’s latest guidance for business and workers across the country. These can be shared on a business’ website, social media, or among colleagues and employees.

2. The CDC published an Interim Guidance Report for Business and Employers which provides information on workplace recommendations, strategies for employers and employees, as well as important considerations during this period.

3. Facebook released a Resource Hub with toolkits and guides aiming to protect small businesses from current interruptions in both supply and demand.

Pandemic Unemployment Insurance

PUA is a federal program under the CARES Act that provides financial assistance for those unable to work due to the coronavirus pandemic, who do not qualify for traditional unemployment insurance, including Self-employed New Yorkers and Independent Contractors, in addition to many other categories of workers. For a quick overview and instructions on how to apply, see: https://www.labor.ny.gov/ui/pdfs/pua-factsheet.pdf.

COVID-19 Paid Leave

Guidance for Employers: On March 18, 2020, NYS passed the Guaranteed Sick Leave and Expedited Unemployment Insurance bill. See the following link for Employer Guidance on the new bill and how it will affect small businesses.

The bill provides protections for employees of private and public employers who are subject to a mandatory or precautionary order of quarantine related to COVID-19, providing coverage for sick leave and the ability to immediately qualify for paid family leave and disability benefits, in addition to full job protection. This law does not apply to employees who have been quarantined or isolated as a result of returning from travel to a country the CDC has imposed a travel health notice on, unless such travel was undertaken as part of the employee’s job.

1. Under the new law, Employers with small businesses with 10 or fewer employees as of January 1, 2020, and a net income under $1 million last fiscal year, must provide:
   a. Guaranteed job protection for the duration of the quarantine order.
   b. Compensation for the quarantine through their existing Paid Family Leave and Disability benefits policy up to $2884.62 per week.

2. For businesses with 10 or fewer employees as of January 1, 2020, and a net income greater than $1 million last fiscal year, the Employer must provide:
   a. Guaranteed job protection for the duration of the quarantine period.
   b. At least 5 days of paid sick leave.
c. Compensation for the remaining quarantine period through their existing Paid Family Leave and Disability benefits policy up to $2884.62 per week.

3. For businesses with 11-99 employees as of January 1, 2020, and a net income greater than $1 million last fiscal year, Employers must provide:
   a. Guaranteed job protection for the duration of the quarantine period.
   b. At least 5 days of paid sick leave.
   c. Compensation for the remaining quarantine period through their existing Paid Family Leave and Disability benefits policy up to $2884.62 per week.

4. Businesses who have 100 or more employees, and all government institutions, will be required to provide at least 14 days of paid leave.

5. Further if your employees are quarantined but able to work from home they do not qualify for these benefits.

6. If your business is closed due to COVID-19, your employees may immediately apply for Unemployment Insurance.

For more information go to: www.ny.gov/COVIDpaysickleave or call the Novel Coronavirus (COVID-19) Paid Sick Leave Hotline: 844-337-6303

Commercial Evictions & Foreclosures
1. The New York State Unified Court System has implemented a freeze on evictions for the time being.
2. Under Executive Order, New York state's moratorium on COVID-related commercial evictions and foreclosures has been extended for an additional 60 days until August 20th. The Governor also announced the state is banning late payments or fees for missed rent payments during the eviction moratorium, and allowing renters facing financial hardship due to COVID-19 to use their security deposit as payment and repay their security deposit over time.
Tips and Resources for Homeowners and Renters

Mortgage Payments

1. Homeowners should continue to make monthly mortgage payments if they are able to do so.

2. If you have suffered a loss of income as a result of falling ill, being laid-off, or because your place of employment shut down due to the coronavirus outbreak, contact your mortgage lender right away.
   a. Check online through your mortgage servicer’s website to determine if there is an online portal, email option, or mobile app to contact the servicer and avoid long phone line wait times.
   b. If your mortgage servicer allows you to temporarily pause your monthly payments, otherwise known as “forbearance,” please be aware that these payments are not forgiven. Borrowers will eventually be required to pay back all missed payments.
   c. Before accepting forbearance on payments, ask your servicer how and when the missed payments will be required to be paid and whether late fees and other costs will be waived.

3. If you have been offered a forbearance, your mortgage servicer should reach out to you before the forbearance period expires to inform you of any options to bring your loan current.
   a. There is no guarantee that you will qualify for a home retention option, such as a repayment plan or loan modification, at the end of the forbearance period.

4. The Department of Financial Services ordered NYS mortgage servicers to provide a 90-day mortgage relief to mortgage borrowers impacted by the coronavirus.

5. Governor Cuomo has issued guidance to urge banks to offer mortgage relief to homeowners who may have difficulty paying their mortgage as a result of COVID-19. This includes:
   a. Forbearing mortgage payments for 90 days from their due dates.
   b. Refraining from reporting late payments to credit rating agencies for 90 days.
   c. Offering borrowers an additional 90-day grace period to complete trial loan modifications, and ensuring that late payments during the COVID-19 pandemic does not affect their ability to obtain permanent loan modifications.
   d. Waiving late payment fees and any online payment fees for a period of 90 days.
   e. Postponing foreclosures and evictions for 90 days.

6. Be aware of scammers. Borrowers should ignore offers that guarantee anything, such as a promise that a company can obtain forbearance on payments or loan modifications. Reports scams to the Office of the State Attorney General.
7. Free quality legal services for home retention including foreclosure defense are available based on need and eligibility. If you are facing difficulties keeping up with your payments or are served with legal papers commencing a foreclosure action, call the intake line of the CBJC Homeowner Stability Project at 212-382-6766 for brief legal advice and a determination of whether you qualify for extended representation.

Real Estate Taxes
1. If you are a senior, veteran or person living with a disability and with limited income, apply for a property tax exemption to lower the real estate taxes on your home. The deadline for the 2020 tax year was March 16, but you can ask for an exception.

2. New York City’s 2020 tax lien sale, originally scheduled to be held on May 15, has been postponed until late summer 2020. Homeowners who received a 90- or 60-day lien sale warning notice should pay what they owe at www.nyc.gov/citypay or enter into a payment agreement to stop receiving additional notices and avoid being included in the sale.

FHA Mortgage Loans
1. Properties secured by FHA-insured Single Family mortgages are subject to a 60 day moratorium on foreclosure. This applies to the initiation of foreclosures and to the completion of foreclosures in process.

2. Evictions of persons from properties secured by FHA-insured Single Family mortgages are also suspended for 60 days.

Fannie Mae and Freddie Mac Mortgages
1. All Fannie Mae and Freddie Mac owned mortgages have a 60-day foreclosure and eviction moratorium.

2. Fannie and Freddie will provide payment forbearance to borrowers impacted by the coronavirus. This allows for a mortgage payment to be suspended for up to 12 months.

3. You can check whether your loan is backed by Fannie Mae or Freddie Mac by using the agencies' loan lookup tools and can confirm whether your loan is FHA-insured by reviewing your loan documents and mortgage statements.

Foreclosure and Evictions
1. The New York State Unified Court System has implemented a freeze on evictions for the time being.

2. NYS Courts have temporarily suspended residential foreclosures and court-ordered auctions.

3. The Department of Housing & Urban Development will also suspend eviction and foreclosure proceedings until the end of April 2020.
4. All upcoming settlement conferences have been administratively adjourned. Consult eCourts regularly to see if your conference has been rescheduled.

Utilities
1. If you have arrears on your gas, electric and water, contact your utility company. They are currently suspending shut-offs related to collections.

2. Forms of emergency assistance may be available from the NYC Human Resources Administration. Applications for such assistance can be done online.