Update on Financial Relief Packages for Parishes and Schools
April 9, 2020

Things have been moving real fast the last few days in regards to financial assistance available for parishes and schools of the Archdiocese of Baltimore. Some of changes will require us to re-think previously communicated guidance and financial relief. Here is a summary of the primary financial relief opportunities as of today:

1. **Loans through the Small Business Administrations – Paycheck Protection Program**
   Over 80% of the parishes and every school have applied for this generous offer by the federal government. This specific program is designed to pay for payroll, benefits, retirement and utilities over the next eight week period through June 30, 2020. The amount received by each location is based on the average costs of these items based on calendar year 2019. We are confident that the majority if not all of the application will be accepted.

   Starting July, each location that received these loans will begin the process of proving that the amount received were used to pay payroll, benefit, retirement and utilities. Amounts used for these purposes will be forgiven – essentially becoming a grant. Amounts not forgiven will require interest payments at 0.5% and will need to be repaid within a two year period. Regional Controllers will be available to help all locations during this process.

2. **Archdiocesan Financial Relief Package**
   In the earlier stages of the pandemic, The Archdiocese offered $7 million in relief in an effort to provide financial stability. The package had two primary elements. The return of retirement related benefits related to the quarter ended March 31st. The second element was allowing parishes and school to not pay their May health premium.

   As a result of the SBA loans, if the non-payment of the May health premium was carried out, parishes and schools would run a very high risk of not using the proceeds for the purposes they were provided. Requiring this portion to be paid back.

   *Therefore, this relief package is being amended and will be moved to July.* The Health portion of the July 2020 health and benefit invoice will not be billed to all participating parishes and schools. This will not impact the benefits offered to the employees. The other items on the health and benefit invoice such as life insurance, disability, retirement etc. we kindly ask that these items still be paid. The May health and benefit will be due regardless if the parish/school receives a SBA loan or not.

3. **Emergency Loans**
   Emergency loans through a line of credit facility to the Archdiocese by the Knights of Columbus are available. The loans will be limited to 2 ½ times the average payroll up to a maximum of $50,000. The same terms offered to the Archdiocese by the Knights of Columbus will be offered to parishes and schools receiving the loan. The loans will require monthly interest payments for a two year period. After two years, the loans will be converted into notes payable over a one to five year period. Principal payments may be made at any time. There are no fees of any kind. Interest rate for the initial two year period will be 2%. These loans are anticipate to be available through August and may be expanded if the pandemic continues to impact operations.

   Interested parishes/schools should contact their Regional Controller who will review with the location and determine if such a loan makes sense for them given their financial situation and other options available to them.