

St. Anthony Greek Orthodox Church

EIDL Loan Info Sheet – Sept 2020

What is an EIDL Loan?

An Economic Injury Disaster Loan (EIDL) is a government loan intended to provide financial assistance to small businesses or private, non-private organizations that suffer substantial economic injury as a result of a declared disaster, in this case the COVID-19 pandemic.
 Loan Source – US Small Business Administration (SBA)

What are the terms of this EIDL loan?

Interest Rate	2.75% APR (fixed) for non-profit organization
Maturity	30 years
1 st Payment	Deferred 1 year (<i>interest still accrues</i>)
Pre-Payment Penalty or Fee	None
Personal Guarantee	Not required for loans under \$200,000
Application Deadline	December 30, 2020; or when funding runs out

What is the Parish Council’s intention for this loan?

Our parish has embarked on a well-developed Income Generation Plan – FAITH & LIGHT for All Generations. This plan is built around 3 main areas – Donations, Fundraising, Stewardship.

The EIDL Loan is a safety net element of this plan. That is, it is the intent to only use funds from this loan in the event we cannot fully offset the financial losses of this pandemic through our parish Income Generation efforts; or in the event we are faced with further unexpected financial loss.

FAITH AND LIGHT for All Generations



Why apply for this loan now?

The availability of this loan is due to expire at the end of the year, or prior if funds runs out. It is uncertain if we will see loans with these advantageous terms again. Given the automatic deferral of payments for 12 months, and the unpredictability of this pandemic, we feel it is prudent to take advantage of this opportunity now as a safety net.

It is our hope and prayer that we will have a more certain sense of our financial stability before our first payment is due. Further, it is our expectation that our community’s love for our church will show through in a successful income generation effort. God willing, we will not need to leverage these funds, or only a small portion of them.

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What is the Risk to Our Church?

This loan does not require encumbrance on church property. That is our church, halls and land are not at risk. The SBA does use a general security agreement (UCC) designating business assets as collateral. This in essence is any movable asset – e.g., equipment, furniture, fixtures, etc.

How is this loan viewed within the Metropolis?

The Metropolis Parish Financial Support Team has fully vetted this loan and are encouraging it for parishes facing financial hardship. They have said *“While it is up to each parish to determine if they should apply for an EIDL, it is none-the-less incumbent on every parish to consider an application under this program, and to consider other avenues, to ensure their financial health is maintained and this includes, among other things, the ability to service NMA payments, as is outlined in the UPR [Article 34, Section 8]”*

It should be noted that under the Archdiocese UPRs, the decision on this loan can be made within the Parish Council alone because it does not place encumbrance on church property. We are taking this to a Parish Assembly vote because our St. Anthony Parish Bylaws require Parish Assembly approval on any loan.

Within our Metropolis 30% of parishes have applied for and received an EIDL loan; 20% are in the process of applying; 20% are still considering an application; and 30% have decided not to apply.

Payback Scenarios

	1 Year	3 Year	5 Year	10 Year	30 Year
Interest	\$3,575	\$7,435	\$11,209	\$20,938	\$63,989
Total Payback	\$133,575	\$137,435	\$141,209	\$150,938	\$193,989

- *Interest amounts assume no payment made for the first 12 months*
- *Minimum payment on loan will be \$557, beginning in the 13th month*
- *Including large lumpsum payments as part of the payback strategy will reduce interest estimates*

If you have questions, please contact the church office:

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