



ARCHDIOCESE OF BOSTON  
66 BROOKS DRIVE  
BRAintree, MASSACHUSETTS 02184-3839

CHANCELLOR

**TO:** Pastors, Business Managers, and Principals  
**FROM:** John Straub  
**DATE:** April 4, 2020  
**RE:** CARES Act – **NEW INFORMATION!**

I want to update you regarding the guidance about applying for loans from the federal government which has garnered so much attention recently. The Small Business Administration (“SBA”), as a result of intense lobbying by the Church and many faith-based organizations, late last night issued a supplement to its regulations which clarifies the eligibility of Churches, Parishes, Parish Schools, affiliates and separately incorporated entities to apply for loans under the Paycheck Protection Program. Many of the concerns raised and referenced in previous communications have been addressed by this supplement to the regulations. One notable aspect that has been clarified by the government concerns the counting of employees to determine whether it has more or less than 500 employees. Generally speaking, the regulations now exempt faith-based organizations from counting all affiliates together which is contrary to the SBA’s previous application of the regulations in that regard.

It is now our position that Churches, Parishes, Parish Schools, affiliates and separately incorporated entities may apply for Paycheck Protection Program loans through their bank or lender provided it is an approved SBA lender (A list of SBA approved lenders for Massachusetts is included in the attachments to this memo). Each applicant must use its own separate FEIN. The FEIN will be used as you would for payroll tax purposes to determine the employee count and to distinguish it from affiliates or other entities. If you do not already have it, you can get your FEIN and payroll information required for this form by requesting it from the Finance Office at [sba@rcab.org](mailto:sba@rcab.org).

Yes, there still are some concerns regarding the strings that are attached to receiving federal financial assistance but these appear limited to the duration of the loan whether paid off or forgiven. These concerns can be addressed if a loan is granted and whether or not you elect to receive the money under the conditions that go with it.

Please note that we are continuing to study the regulations and any new information that continues to stream out applicable to this whole process. Those entities that determine there is a need to participate in this loan program need to be aware of the very specific guidelines the borrower must follow and requisites it must adhere to be able to request forgiveness of the loan. Forgiveness should not be presumed as automatic. The federal government and lenders do not grant forgiveness as easily as the Church does.

Please also note that these loans are only for a short time period. It is advisable that you use this additional assistance as a way to better strategically plan and properly assess your financial status and what your Parish, School or organization will look like over the long term. Focusing on the long term is the goal as the world has forever changed going forward and we will all need to adjust to the new normal, whatever that may be. Only effective planning and implementation now will put all of us in a better position than if we view our current circumstances as only temporary.

If you apply and are approved, the maximum number of weeks covered under this loan program is 8 weeks. We have a significant recovery period beyond that. With parishioners unemployed and business shut down indefinitely the impact of this pandemic is far from over. It will take our parishioners years to recover and be able to support their local parishes to the same level as before. So, it is crucial that we look ahead to plan for this long-extended horizon. Please work with your respective regional consultants to assist you in developing your long-term plans..

Attached for your reference and review are copies of the aforementioned Interim Rule, a set of FAQs, and the most recent Application form put out last night by the SBA in order to help provide you with additional information. This will be, as it has been, a continuing process. We will continue to update you as we learn any new information relative to this program and offer our assistance to the fullest extent possible throughout this process.

Please feel free to contact me if you have any questions at 617-746-5656; or via email: [john\\_straub@rcab.org](mailto:john_straub@rcab.org).

Sincerely,

A handwritten signature in blue ink, appearing to read "John Straub".

John E. Straub  
Chancellor and CFO



# Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407  
Expiration Date: 09/30/2020

<b>Check One:</b>	<input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	<b>DBA or Tradename if Applicable</b>	
<b>Business Legal Name</b>			
<b>Business Address</b>			
		<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>
			( ) -
		<b>Primary Contact</b>	<b>Email Address</b>

Average Monthly Payroll:	\$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$	Number of Employees:	
Purpose of the loan (select more than one):					
<input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____					

### Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

*If questions (1) or (2) below are answered "Yes," the loan will not be approved.*

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>

*If questions (5) or (6) are answered "Yes," the loan will not be approved.*

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input type="checkbox"/>



# Paycheck Protection Program Borrower Application Form

## By Signing Below, You Make the Following Representations, Authorizations, and Certifications

### CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

### CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

\_\_\_\_\_ The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

\_\_\_\_\_ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

\_\_\_\_\_ The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

\_\_\_\_\_ The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

\_\_\_\_\_ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

\_\_\_\_\_ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

\_\_\_\_\_ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

\_\_\_\_\_ I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

\_\_\_\_\_  
Signature of Authorized Representative of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title



## Paycheck Protection Program Borrower Application Form

### **Purpose of this form:**

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

### **Instructions for completing this form:**

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

**Paperwork Reduction Act** – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

**Privacy Act (5 U.S.C. 552a)** – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

**Disclosure of Information** – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

**Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)** – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



## Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

**Freedom of Information Act (5 U.S.C. 552)** – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

**Occupational Safety and Health Act (15 U.S.C. 651 et seq.)** – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

**Civil Rights (13 C.F.R. 112, 113, 117)** – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

**Equal Credit Opportunity Act (15 U.S.C. 1691)** – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

**Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700)** – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



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**FREQUENTLY ASKED QUESTIONS  
REGARDING PARTICIPATION OF FAITH-BASED ORGANIZATIONS  
IN THE PAYCHECK PROTECTION PROGRAM (PPP)  
AND THE ECONOMIC INJURY DISASTER LOAN PROGRAM (EIDL)**

**1. Are faith-based organizations, including houses of worship, eligible to receive SBA loans under the PPP and EIDL programs?**

Yes, and we additionally clarify that faith-based organizations are eligible to receive SBA loans regardless of whether they provide secular social services. That is, no otherwise eligible organization will be disqualified from receiving a loan because of the religious nature, religious identity, or religious speech of the organization. The requirements in certain SBA regulations—13 C.F.R. §§ 120.110(k) and 123.301(g)—impermissibly exclude some religious entities. Because those regulations bar the participation of a class of potential recipients based solely on their religious status, SBA will decline to enforce these subsections and will propose amendments to conform those regulations to the Constitution. Although 13 C.F.R. § 120.110(a) states that nonprofit entities are ineligible for SBA business loans (which includes the PPP program), the CARES Act explicitly makes nonprofit entities eligible for the PPP program and it does so without regard to whether nonprofit entities provide secular social services.

**2. Are there any limitations on how faith-based organizations can use the PPP and EIDL loan money they receive?**

Only the same limitations that apply to all other recipients of these loans (such as that loan forgiveness will cover non-payroll costs only to a maximum of 25% of the total loan to a recipient). The PPP and EIDL loan programs are neutral, generally applicable loan programs that provide support for nonprofit organizations without regard to whether they are religious or secular. The CARES Act has provided those program funds as part of the efforts to respond to the economic dislocation threatened by the COVID-19 public health emergency. Under these circumstances, the Establishment Clause does not place any additional restrictions on how faith-based organizations may use the loan proceeds received through either the PPP or the EIDL loan program. See, e.g., [Religious Restrictions on Capital Financing for Historically Black Colleges and Universities](#), 43 Op. O.L.C. \_\_\_, \*7–15 (Aug. 15, 2019); [Authority of FEMA to Provide Disaster Assistance to Seattle Hebrew Academy](#), 26 Op. O.L.C. 114, 122–32 (2002). In addition, the CARES Act does not impose unique burdens or limitations on faith-based



organizations. In particular, loans under the program can be used to pay the salaries of ministers and other staff engaged in the religious mission of institutions.

**3. How will churches qualify if have not been informed of tax-exempt status by the IRS? Do organizations have to request and receive tax exempt status or just meet the requirements of 501(c)(3) status to be eligible?**

Churches (including temples, mosques, synagogues, and other houses of worship), integrated auxiliaries of churches, and conventions or associations of churches qualify for PPP and EIDL loans as long as they meet the requirements of Section 501(c)(3) of the Internal Revenue Code, and all other PPP and EIDL requirements. Such organizations are not required to apply to the IRS to receive tax-exempt status. See 26 U.S.C. § 508(c)(1)(A).

**4. Will my organization be sacrificing its autonomy or its First Amendment or statutory rights if it requests and receives a loan?**

No. Receipt of a loan through any SBA program does not (1) limit the authority of religious organizations to define the standards, responsibilities, and duties of membership; (2) limit the freedom of religious organizations to select individuals to perform work connected to that organization's religious exercise; nor (3) constitute waiver of any rights under federal law, including rights protecting religious autonomy and exercise under the Religious Freedom Restoration Act of 1993 (RFRA), 42 U.S.C. § 2000b *et seq.*, Section 702 of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-1(a), or the First Amendment.

Simply put, a faith-based organization that receives a loan will retain its independence, autonomy, right of expression, religious character, and authority over its governance, and no faith-based organization will be excluded from receiving funding because leadership with, membership in, or employment by that organization is limited to persons who share its religious faith and practice.

**5. What legal requirements will be imposed on my organization as a result of our receipt of this Federal financial assistance? Will those requirements cease to apply when the loan is either repaid in full or forgiven?**

Receipt of a loan through any SBA program constitutes Federal financial assistance and carries with it the application of certain nondiscrimination obligations. Any legal obligations that you incur through your receipt of this loan are not permanent, and once the loan is paid or forgiven, those nondiscrimination obligations will no longer apply.





Consistent with certain federal nondiscrimination laws, SBA regulations provide that the recipient may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin with regard to goods, services, or accommodations offered. 13 C.F.R. § 113.3(a). But SBA regulations also make clear that these nondiscrimination requirements do not limit a faith-based entity's autonomy with respect to membership or employment decisions connected to its religious exercise. 13 CFR § 113.3-1(h). And as discussed in Question 4, SBA recognizes the various protections for religious freedom enshrined in the Constitution and federal law that are not altered or waived by receipt of Federal financial assistance.

SBA therefore clarifies that its regulations apply with respect to goods, services, or accommodations offered generally to the public by recipients of these loans, but not to a faith-based organization's ministry activities within its own faith community. For example, SBA's regulations will require a faith-based organization that operates a restaurant or thrift store open to the public to serve the public without regard to the protected traits listed above. But SBA's regulations do not apply to limit a faith-based organization's ability to distribute food or clothing exclusively to its own members or co-religionists. Indeed, SBA will not apply its nondiscrimination regulations in a way that imposes substantial burdens on the religious exercise of faith-based loan recipients, such as by applying those regulations to the performance of church ordinances, sacraments, or religious practices, unless such application is the least restrictive means of furthering a compelling governmental interest. Congress enacted the CARES Act to afford swift and sweeping stopgap relief to Americans who might otherwise lose their jobs or businesses because of the economic hardships wrought by the response to the COVID-19 public health emergency, and SBA has a compelling interest in fulfilling that mandate to provide assistance broadly.

#### **6. Is my faith-based organization disqualified from any SBA loan programs because it is affiliated with other faith-based organizations, such as a local diocese?**

Not necessarily. Under SBA's regulations, an affiliation may arise among entities in various ways, including from common ownership, common management, or identity of interest. 13 C.F.R. §§ 121.103 and 121.301. These regulations are applicable to applicants for PPP loans. (They also apply to the EIDL program when determining certain loan terms, although aggregating the number of employees of affiliated organizations does not affect eligibility for EIDL loans.) Some faith-based organizations likely would qualify as "affiliated" with other entities under the applicable affiliation rules. Entities that are affiliated according to SBA's affiliation rules must add up their employee numbers in determining whether they have 500 or fewer employees.

But regulations must be applied consistent with constitutional and statutory religious freedom protections. If the connection between your organization and another entity that would constitute an affiliation is based on a religious teaching or belief or is otherwise a part of the



exercise of religion, your organization qualifies for an exemption from the affiliation rules. For example, if your faith-based organization affiliates with another organization because of your organization's religious beliefs about church authority or internal constitution, or because the legal, financial, or other structural relationships between your organization and other organizations reflect an expression of such beliefs, your organization would qualify for the exemption. If, however, your faith-based organization is affiliated with other organizations solely for non-religious reasons, such as administrative convenience, then your organization would be subject to the affiliation rules. SBA will not assess, and will not permit participating lenders to assess, the reasonableness of the faith-based organization's good-faith determination that this exception applies.

**7. Does my faith-based organization need to apply for this exemption or include any documentation of its religious beliefs or practices to fall within this affiliation exemption?**

No specific process or detailed filing is necessary to claim the benefit of this exemption. If you believe that your organization qualifies for this exemption to the affiliation rules, you should submit with your loan application a separate sheet stating as much. That sheet may be identified as addendum A, and no further listing of the other organizations with which your organization is affiliated, or description of the relationship to those organizations, is required. You are not required to describe your religious beliefs.

A sample "Addendum A" is attached to this document, but you may choose to write your own. Your statement can be very simple.

**8. How do I know where my organization fits in SBA's size standards table? Should I use the table to determine whether my organization is a small business that is eligible to participate in the PPP program?**

SBA's size standards can be found at 13 CFR § 121.201. Under the CARES Act, a non-profit organization qualifies as small, and is eligible for assistance, if (1) it has no more than 500 employees or (2) the NAICS code associated with its primary industry has a higher employee-based size standard. Some industries—including "religious organizations"—are currently listed in the size standards table with a monetary cap on annual receipts rather than an employee-based size standards cap. For nonprofit organizations whose primary industry is listed with a monetary cap on annual receipts, the size standards table therefore cannot be used to determine eligibility for the PPP program. Faith-based nonprofit organizations that do not fall under a primary industry that is listed with an employee-based size standard must have 500 employees or fewer to be considered small.



[Sample]

**ADDENDUM A**

- ✓ The Applicant claims an exemption from all SBA affiliation rules applicable to Paycheck Protection Program loan eligibility because the Applicant has made a reasonable, good faith determination that the Applicant qualifies for a religious exemption under 13 C.F.R. 121.103(b)(10), which says that “[t]he relationship of a faith-based organization to another organization is not considered an affiliation with the other organization . . . if the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion.”

# Massachusetts Lender List

Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Martha's Vineyard Savings Bank	Philip Mercier	VP of Comm Lending	78 Main Street	Edgartown	MA	02539	508-627-4697		X		Cape & Islands
The Cooperative Bank of Cape Cod	Rob Carey	V.P. Commercial Loan Officer	25 Benjamin Franklin Way	Hyannis	MA	02601	(508) 568-1205	X	X		Cape & Islands
Seamen's Bank	Thomas Johnson	Vice President	221 Commercial Street	Provincetown	MA	02657	(508) 487-0035		X		Cape & Islands
Clinton Savings Bank	Leonard T. Ancil	Sr.V.P.Commercial Lending	200 Church St.	Clinton	MA	01510	(978) 365-3475				Cental MA
Rollstone Bank & Trust	Nicole Kalloch	Commercial Loan Officer	780 Main Street	Fitchburg	MA	01420	(978) 343-2168	X	X		Cental MA
Workers' Credit Union	Denise Kemmitt	Commercial Lending	815 Main Street	Fitchburg	MA	01420	(978) 353-7178	X	X	X	Cental MA
MutualOne Bank	Andrew E. Zelman	Vice President	160 Cochituate Road	Framingham	MA	01701	(508) 532-8364	X	X	X	Cental MA
Dean Bank	Judith Alfred	Commerial Loan Development Officer	21 Main Street	Franklin	MA	02038	(508) 528-0088	X	X		Cental MA
GFA Federal Credit Union	Joan Moran	Chief Lending Officer	P.O. Box 468	Gardner	MA	01440	(978) 632-2542	X	X		Cental MA
Leominster Credit Union	Ana Hoyler	Commercial Lending	20 Adams Street	Leominster	MA	01453	(978) 466-7215		X	X	Cental MA
Align CU	Andrew Patton	Vice President	40 Market Street	Lowell	MA	01852	(978) 275-2760		X		Cental MA
Jeanne D'Arc Credit Union	Janine Velazquez	Com'l. Loan Portfolio Mgr.	581 Merrimack Street	Lowell	MA	01854	(978) 323-4714		X	X	Cental MA
Lowell Five Cent Savings Bank	Antonio Mendieta	Assistant Vice President	34 John St.	Lowell	MA	01852	978-441-6434		X		Cental MA
Digital Federal Credit Union	Courtney McGloin	Commercial Operations Manager	220 Donald Lynch Blvd	Marlborough	MA	01752	(508) 804-9689	X	X	X	Cental MA
Main Street Bank	Ruth Cavanagh	SVP Commercial lending	81 Granger Blvd	Marlborough	MA	01752	(978) 487-1471		x		Cental MA
St. Mary's Credit Union	Armand Fernandez	Senior Vice President	46 Lizotte Drive	Marlborough	MA	01752	(508) 490-6779	X	X		Cental MA

**Preferred Lender = PLP; Express Lender = Express; Export Lender = Export**

# Massachusetts Lender List

Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Charles River Bank	Derek Plourde	Senior Vice President	70 Main Street	Medway	MA	02053	(508) 533-8661		X	X	Cental MA
Milford Federal Savings & Loan Association	Peter Beecher	Vice President - Commercial Lending	246 Main Street	Milford	MA	01757	(508) 381-5266				Cental MA
Millbury Federal Credit Union	Joe Ledoux	Sr. Vice President	50 Main Street	Millbury	MA	01527	(508) 865-7614		X		Cental MA
Millbury National Bank	John Latino	Loan Admin. Officer	18 Main Street	Millbury	MA	01527	(508) 865-9521				Cental MA
Middlesex Savings Bank	David Bennett	Senior Vice President	6 Main Street	Natick	MA	01760	(508) 315-5424	X	X	X	Cental MA
Homefield Credit Union	Jennifer Marble	SVP, Chief Lending Officer	86 Worcester St.	North Grafton	MA	01536	(774) 293-9233		X		Cental MA
Hometown Bank	Deanna Mills	Assistant Vice President	31 Sutton Ave.	Oxford	MA	01540	(508) 499-1886	X	X		Cental MA
Central One Federal Credit Union	Mike Murphy	Commercial Loan Manager	714 Main Street	Shrewsbury	MA	01545	(508) 841-0698		X	X	Cental MA
Savers Bank	John Fearing	Vice President	PO Box 250	Southbridge	MA	01550	(508) 765-7389				Cental MA
Southbridge Credit Union	Jordan Hoy	SVP Commercial Lending	155 Main Street	Southbridge	MA	01550	(508) 909-7194		X		Cental MA
Cornerstone Bank	Steve Quink	Vice President	176 Main Street	Spencer	MA	01562	(508) 885-5313	X	X	X	Cental MA
Country Bank for Savings	Bryan Moore	VP, Commercial Lending	75 Main St.	Ware	MA	01082	(413) 277-2073		X		Cental MA
Avidia Bank	Joseph Sova	Senior Vice President	100 East Main Street	Westborough	MA	01581	(978) 567-3669		X	X	Cental MA
Enterprise Bank	David Brown	AVP/Commercial Lending	237 Littleton Road	Westford	MA	01886	(978) 656-5630		X	X	Cental MA
Athol Savings Bank	Lori Provencial	Vice President	112 Central St	Winchendon	MA	01475	(978) 321-5018	X	X		Cental MA
Bay State Savings Bank	Denise DiDonato	VP, Credit Administration Officer	28 Franklin Street	Worcester	MA	01608	508-890-8916	X	X	X	Cental MA

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# Massachusetts Lender List

Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
UniBank for Savings	Sean O'Connell	VP/Business Banking Manager	24 Gold Star Blvd.	Worcester	MA	01605	(508) 849-4346	X	X		Cental MA
Webster First Federal Credit Union	Bryan Regele	AVP Commercial Lending	271 Greenwood	Worcester	MA	01607	(508) 671-5120		X		Cental MA
Village Bank	John Tarpinian	AVP/Commercial Lending	319 Auburn Street	Auburndale	MA	02466	(617) 340-1209		X		Greater Boston
OneUnited Bank	Teri Williams	President/COO	100 Franklin St	Boston	MA	02110	(617) 457-4400				Greater Boston
East Cambridge Savings Bank	Timothy E. Bombard	Senior Vice President	344 Cambridge Street	Cambridge	MA	02141	(617) 551-2420		X	X	Greater Boston
Cambridge Trust Company	Stephen Sall	Assistant Vice President	1336 Massachusetts Avenue	Cambridge	MA	02138	(617) 441-1451	X	X	X	Greater Boston
Metro Credit Union	David Egan	Vice President	200 Revere Beach Parkway	Chelsea	MA	02150	(617) 889-7736		X		Greater Boston
First Priority Credit Union	J. Eric Rich	Dir. of Lending	100 Swift Street	East Boston	MA	02128	(800) 949-7628 ext. 1228		X		Greater Boston
Eagle Bank	Derek Delaney	Executive Vice President	350 Broadway	Everett	MA	02149	(617) 394-3631		X		Greater Boston
Everett Co-Operative Bank	Joe Keohane	Senior Vice President	419 Broadway	Everett	MA	02149	(617) 387-1110		X		Greater Boston
Brookline Bank	Gretchen Annese	Vice President	201 Salem Street	MA	MA	02155	(781) 393-2851	X	X	X	Greater Boston
East West Bank	Ricky Lam	Vice President	2223 Washington Street	Newton	MA	02462	(617) 340 8313	X	X	X	Greater Boston
The Cooperative Bank	Miguel Rosado	Senior Vice President	40 Belgrade Avenue	Roslindale	MA	02131	(857) 203-9509		X		Greater Boston
East Boston Savings Bank	Josefina Silva	Vice President	10 Elm Street	Salem	MA	01923	(978) 977-6008	X	X	X	Greater Boston
Winter Hill Bank	Peter Majane	Vice President	342 Broadway	Somerville	MA	02145	(617) 629-3333				Greater Boston
RTN Federal Credit Union	Timothy Brown	Senior Commercial Services Officer	600 Main Street	Waltham	MA	02452	(781) 736-9984		X		Greater Boston

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Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Provident Bank	Kendra Finch	AVP, SBA Portfolio Manager	5 Market St	Amesbury	MA	01913	(978) 834-8561	X	X	X	North Shore
Northmark Bank	Dan Griffin	Commercial Lender	69 Park Street	Andover	MA	01810	(978) 475-5000		X		North Shore
Cambridge Savings Bank	Jeffrey Hansel	VP, Small Bus. Lending Manager	1374 Massachusetts Ave.	Cambridge	MA	02138	(617) 575-8563	X	X		North Shore
NorthEast Community Bank	Leonel Espinal	VP Commercial Lender	66 Elm Street	Danvers	MA	01923	(978) 716-3225				North Shore
Washington Savings Bank	Gerard Freschette	Vice President Lending	100 Broadway	Dracut	MA	01826	(978) 569-1505				North Shore
BankGloucester	Kim Spaner	VP, Commercial Lending	160 Main Street	Gloucester	MA	01930	978-675-9954	X	X		North Shore
Cape Ann Savings Bank	Andrew Marques	Commercial Loan Officer	109 Main St.	Gloucester	MA	01930	(978) 282-5732		X		North Shore
Haverhill Bank	James Henebry	Commercial Loan Officer	PO Box 1656	Haverhill	MA	01830	(978) 556-4273		X		North Shore
Pentucket Bank	Jonnathan Dowst	Executive Vice President	2 Merrimack St.	Haverhill	MA	01830	(978) 556-5447	X	X	X	North Shore
Merrimack Valley Credit Union	Bradford Egan	SVP, Chief Lending Officer	500 Merrimack St.	Lawrence	MA	01843	(508) 279-2411		X		North Shore
River Works CU	Jerry Dorr	Loan Officer	947 Western Ave	Lynn	MA	01905	(339) 883-9218				North Shore
Marblehead Bank	Mark Llewlyn	SVP Commercial lending	21 Atlantic Avenue	Marblehead	MA	01945	(781) 631-5500		X	X	North Shore
National Grand Bank of Marblehead	Cynthia Latham	Assistant Vice President	91 Pleasant St.	Marblehead	MA	01945	(781) 631-6000		X		North Shore
Century Bank	Nancy Marsh	Vice President	400 Mystic Ave	Medford	MA	02155	(781) 393-6058	X	X	X	North Shore
Newburyport Five Cents Savings Bank	Scott Eaton	Vice President	63 State St.	Newburyport	MA	01950	(978) 225-8740		X	X	North Shore
North Shore Bank	Scott Myers	Senior Vice President	248 Andover Street	Peabody	MA	01960	(978) 538-7052		X	X	North Shore

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# Massachusetts Lender List

Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Reading Cooperative Bank	Joseph Scurio	VP Commercial Lending	180 Haven Street	Reading	MA	01867	(781) 670-1805		X		North Shore
Institution for Savings	Karl Wilson	Senior VP Commercial Lending	312 Haverhill Road	Rowley	MA	01969	978-312-6810		X	X	North Shore
Salem Five Cents Savings Bank	Harold Hollingworth	SBA Loan Officer	210 Essex Street	Salem	MA	01970	(978) 720-5260	X	X	X	North Shore
St Jean's Credit Union	Jim Metcalf	Vice President	370 Highland Avenue	Salem	MA	01970	(978) 219-1031		X		North Shore
Stoneham Bank	Mark Drew	SVP Commercial Lending	80 Montvale Ave	Stoneham	MA	02180	(781) 481-5926				North Shore
The Savings Bank	Peter Johnston	Senior Vice President	357 Main Street	Wakefield	MA	01880	(781) 486-5309		X	X	North Shore
Winchester Savings Bank	Betsy Sands	VP, Commercial Lending	661 Main St	Winchester	MA	01890	(781) 729-2130				North Shore
Patriot Community Bank	Richard Archambault	SVP	237 Lexington Street	Woburn	MA	01801	(781) 404-1207				North Shore
Abington Bank	Marlena Wall	Vice President, Credit Officer	6 Harrison Avenue	Abington	MA	02343	(781) 792-9030		X		South Shore
Liberty Bay CU	Paul Gravellese	Vice President	350 Granite St.	Braintree	MA	02184	(617) 439-6575	X	X	X	South Shore
Crescent Credit Union	Cheryl McCormick	Vice President	P.O. Box 4290	Brockton	MA	02303	(508) 408-6322		X		South Shore
HarborOne Bank	Joan Richards	Vice President	770 Oak Street	Brockton	MA	02303	(508) 895-1291	X	X		South Shore
Bank of Canton	John Sharry	Senior Vice President	490 Turnpike Street	Canton	MA	02021	(781) 830-6220	X	X		South Shore
Dedham Institution for Savings	James Horrigan	SVP - Commercial Lending	888 Washington St	Dedham	MA	02026	(781) 329-6700		X		South Shore
First Citizens Federal Credit Union	Wayne Carvalho	Vice President	200 Mill Road Suite 100	Fairhaven	MA	02719	(774) 628-7817		X		South Shore
BankFive	Alicia Ambrose	Vice President	79 North Main St.	Fall River	MA	02720	(774) 888-6315	X	X	X	South Shore

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## Massachusetts Lender List

Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Bristol County Savings Bank	Joan Medeiros	VP, Senior Commercial Loan Officer	215 Pleasant Street	Fall River	MA	02721	(508) 324-3685	X	X	X	South Shore
St. Anne's Credit Union of Fall River	Carlos DaCunha	SVP, Chief Lending Officer	286 Oliver Street	Fall River	MA	02724	(508) 324-7362		X		South Shore
Cape Cod Five Cents Savings Bank	Andrew M. Foss	Vice President	171 Falmouth Road	Hyannis	MA	02601	(508) 247-2221		X	X	South Shore
Mansfield Bank	Mary Johnson	VP, Commercial Portfolio Manager	80 North Main Street	Mansfield	MA	02048	(508) 851-3678		X		South Shore
Needham Bank	Michael Semizoglou	SVP Relationship Manager	1063 Great Plain Ave.	Needham	MA	02492	(781) 474-5435		X	X	South Shore
Norwood Bank	John Galvani	Senior Vice President	11 Central Street	Norwood	MA	02062	(781) 440-4272				South Shore
Bridgewater Savings	John Moran	VP, Commercial Lending	756 Orchard Street	Raynham	MA	02767	(508) 884-5769	X	X	X	South Shore
Rockland Federal Credit Union	Mark Skalla	SVP/CFO	241 Union Street	Rockland	MA	02370	(800) 562-7328				South Shore
Sharon Credit Union	Linda Fountain	Chief Lending Officer	30 Pond Street	Sharon	MA	02067	781-793-2778				South Shore
North Easton Savings Bank	Daniel Trout	SVP, Commercial Lending	20 Eastman Street	South Easton	MA	02375	(781) 524-5044	X	X		South Shore
South Shore Bank	John Mannion	VP Small Bus. Loan Officer	1530 Main St.	South Weymouth	MA	02190	(781) 682-3283	X	X	X	South Shore
Envision Bank	Nancy Curry	Senior Vice President	10 Cabot Place	Stoughton	MA	02072	(617) 925-1865		X	X	South Shore
BayCoast Bank	Timothy Cole	Commercial Lending	330 Swansea Mall Drive	Swansea	MA	02722	(508) 235-9541		X	X	South Shore
Mechanics Co-operative Bank	Curtis McKinney	SVP, Senior Lending Officer	308 Bay Street	Taunton	MA	02780	(508) 884-2167	X	X	X	South Shore
Taunton FCU	Gary Hays	Commercial Lending	14 Church Green	Taunton	MA	02780	(508) 802-6493				South Shore
Walpole Co-Operative Bank	Tracy Murphy	Vice President	982 Main St.	Walpole	MA	02081	(508) 660-6549		X		South Shore

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Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Coastal Heritage Bank	Mark A. D'Onofrio	Senior Vice President	195 Washington Street	Weymouth	MA	02188	781-796-6029	X	X		South Shore
Leader Bank	Patrick Daaboul	Vice President	180 Massachusetts Avenue	Arlington	MA	02474	(781) 641-7546	X	X		Statewide
Berkshire Bank	Paul Kelly	SVP Regional President C&I	121 Congress Street	Boston	MA	02110	(781) 223-6141	X	X	X	Statewide
Boston Private Bank & Trust Co.	Anna Bautista	Senior Vice President	Ten Post Office Square	Boston	MA	02109	(617) 912-4252	X	X	X	Statewide
Customers Bank	Jennifer Mason	Vice President	One International Place	Boston	MA	02110	(781)771-3919		X		Statewide
JPMorgan Chase Bank	Claire Jin	Relationship Manager/ Business Banking	50 Rowes Wharf	Boston	MA	02110	(617) 428-2192	X	x	X	Statewide
People's United Bank	Patrick Lorent	Senior Vice President	One Post Office Square	Boston	MA	02214	(617) 292-5111	X	X	X	Statewide
Radius Bank	Phil Winn	VP Commercial Lending	One Harbor Street, Suite 201	Boston	MA	02210	(215) 375-6434	X	X	X	Statewide
Santander Bank	George Duarte	VP, SBA Lending Officer	28 State Street	Boston	MA	02109	(401) 276-1630	X	X	X	Statewide
TD Bank	Jennifer McKay	SVP/Senior SBA Regional Sales Manager	200 State Street	Boston	MA	02109	(508)368-6940	X	X	X	Statewide
Wells Fargo & Company	Bob Beveridge	SVP. Business Banking Manager	125 High Street	Boston	MA	02110	(857) 504-2403	X	X	X	Statewide
Eastern Bank	Charles Smith	Senior Vice President	265 Franklin St.	Boston	MA	02110	(617) 897-1091	X	X	X	Statewide
Bank of America	Andreas Hirsemann	Senior Vice President	10 Mall Road	Bridgewater	MA	02324	(617) 434-1005	X	X	X	Statewide
Rockland Trust	George Couto	Vice President	2036 Washington Street	Hanover	MA	02339	(781) 982-6768	X	X	X	Statewide
Hanscom Federal Credit Union	Philip E. Purcell	V.P. Commercial Lending	25 Porter Road, Suite 100	Littleton	MA	01460	(781) 698-2186		X		Statewide
Farm Credit East	Cynthia Stiglitz	Loan Officer	PO Box 720	Middleboro	MA	02346	(508) 946-4455				Statewide

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# Massachusetts Lender List

Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
MountainOne Bank	Steve Munger	VP Commercial Lending	93 Main Street	North Adams	MA	02147	(413) 663-2189	X	X	X	Statewide
Webster Bank	Kathleen Kelly	Senior Vice President	475 Hancock St.	Quincy	MA	02171	(617) 416-6567	X	X	X	Statewide
Key Bank	John Figmic	SVP Commercial lending	225 Park Avenue	W. Springfield	MA	01089	(781) 255-6547				Statewide
Mass. Business Development	Paul Flynn, Jr	Senior Vice President	500 Edgewater Drive, Suite 555	Wakefield	MA	01880	(781) 928-1133	X			Statewide
Citizens Bank	Gary Heidel	SBA Program Development Manager	480 Jefferson Blvd.	Warwick	RI	02886	(401) 468-6127	X	X	X	Statewide
Northern Bank & Trust Company	Justin Thomas	Business Banker	275 Mishawum Road	Woburn	MA	01801	(781) 404-1935		X		Statewide
Fidelity Bank	John Peculis	SVP, Business Banking	153 Front St.	Worcester	MA	01608	(508) 762-3605	X	X	X	Statewide
Adams Community Bank	Pamela Duval	Vice President	2 Center Street	Adams	MA	01220	(413) 749-1135		X		Western MA
Easthampton Savings Bank	Sandra Brakey	Senior Commercial Loan Officer	241 Northampton St.	Easthampton	MA	01027	(413) 779-2410	X	X		Western MA
Florence Bank	Michael Davey	Vice President	85 Main Street	Florence	MA	01062	(413) 587-1724	X	X	X	Western MA
Salisbury Bank & Trust	Joseph (Jody) Law	Vice President	210 Main Street	Great Barrington	MA	01230	(860) 596-2470		X		Western MA
Greenfield Cooperative Bank	Barb Campbell	Comm Loan Officer	62 Federal Street	Greenfield	MA	01301	(413) 772-6140	X	X		Western MA
Greenfield Savings Bank	A.J. Bresciano	Vice President	400 Main Street	Greenfield	MA	01032	(413) 775-8153	X	X		Western MA
UmassFive College FCU	Jeffrey Simpson	VP Commercial Lending	200 Westgate Ctr Dr	Hadley	MA	01035	(413) 256-5560				Western MA
Holyoke Credit Union	Celia Alvarado	Small Bus. Lending Manager	490 Westfield Road	Holyoke	MA	01040	(413) 532-7007 ext. 1125		X		Western MA
PeoplesBank	Meghan Parnell-Gregoire	VP, Business Lending Center Manager	330 Whitney Aave	Holyoke	MA	01040	(413) 493-8697	x	X		Western MA

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Lender	Name	Job Title	Address	City	ST	Zip	Phone	PLP	Express	Export	Region
Lee Bank	Christopher Kinne	Vice President	75 Park Street	Lee	MA	01238	(413) 243-9295	X	X		Western MA
LUSO FCU	Hayley Jorge	Lending Manager	599 East St	Ludlow	MA	01056	(413) 589-9966		x		Western MA
Monson Savings Bank	Michael Rouette	Head of Comm'l Lending	197 Main St.	Monson	MA	01057	(413) 267-1205	X	X	X	Western MA
North Brookfield Savings Bank	Rick Eagan	Vice President	35 Summer Street	North Brookfield	MA	01535	(508) 867-0732	X	X		Western MA
Greylock Federal Credit Union	Tracy McConnell	VP Business Lending	150 West Street	Pittsfield	MA	01201	(413) 236-4810	X	X	X	Western MA
Webster Five Cents Savings Bank	Robert Totaro	Bus. Lending Officer	100 Front Street, Suite 1900	Worcester	MA	01608	(508) 438-4711	X	X		
NBT Bank	Kevin Bisaccio	Vice Pres. & Senior Relationship Mgr.	54 North Street	Pittsfield	MA	01201	(413) 448-6162 ext. 101	X	X	X	Western MA
Pittsfield Cooperative Bank	Timothy Collins	Vice President - Commercial Lending	70 South Street	Pittsfield	MA	01201	(413) 629-1603		X		Western MA
New Valley Bank & Trust	Ryan Hess	SVP, Chief Lending Officer	One Monarch Place, Suite 910	Springfield	MA	01104	(413)707-1634				Western MA
Freedom Credit Union	David Chase	VP Member Business Services	1976 Main Street	Springfield	MA	01103	(413) 355-5188		X		Western MA
Westfield Bank	Thomas Cebula	Comercial Loan Officer	141 Elm Street	Westfield	MA	01085	(413) 564-2611	X	X	X	Western MA

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**SMALL BUSINESS ADMINISTRATION**

**Docket No. SBA-2020-[ ]**

**13 CFR Part 121**

**Business Loan Program Temporary Changes; Paycheck Protection Program**

**RIN [ ]**

**AGENCY:** U. S. Small Business Administration.

**ACTION:** Interim Final Rule.

**SUMMARY:** On April 2, 2020, the U.S. Small Business Administration (SBA) issued an interim final rule (the Initial Rule) announcing the implementation of sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act or the Act). Section 1102 of the Act temporarily adds a new program, titled the “Paycheck Protection Program,” to the SBA’s 7(a) Loan Program. Section 1106 of the Act provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program. The Paycheck Protection Program and loan forgiveness are intended to provide economic relief to small businesses nationwide adversely impacted by the Coronavirus Disease 2019 (COVID-19). This interim final rule supplements the Initial Rule with additional guidance regarding the application of certain affiliate rules applicable to SBA’s implementation of sections 1102 and 1106 of the Act and requests public comment.

**DATES:** Effective Date: This interim final rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applicability Date: This interim final rule applies to applications submitted under the Paycheck Protection Program through June 30, 2020, or until funds made available for this purpose are exhausted.

Comment Date: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

You may submit comments, identified by number SBA-2020-[ ] through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

SBA will post all comments on [www.regulations.gov](http://www.regulations.gov). If you wish to submit confidential business information (CBI) as defined in the User Notice at [www.regulations.gov](http://www.regulations.gov), please send an email to [ppp-ifr@sba.gov](mailto:ppp-ifr@sba.gov). Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination whether it will publish the information.

FOR FURTHER INFORMATION CONTACT: The local SBA Field Office; the list of offices can be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

#### SUPPLEMENTARY INFORMATION:

##### I. Background Information

On March 13, 2020, President Trump declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all States, territories, and the District of Columbia. With the COVID-19 emergency, many small businesses nationwide are experiencing economic hardship as a direct result of the Federal, State, tribal, and local public health measures that are being taken to minimize the public's exposure to the virus. These measures, some of which are government-mandated, are being implemented nationwide and include the closures of restaurants, bars, and gyms. In addition, based on the advice of public health officials, other measures, such as keeping a safe distance

from others or even stay-at-home orders, are being implemented, resulting in a dramatic decrease in economic activity as the public avoids malls, retail stores, and other businesses.

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act or the Act) (P.L. 116-136) to provide emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. The Small Business Administration (SBA) received funding and authority through the Act to modify existing loan programs and establish a new loan program to assist small businesses nationwide adversely impacted by the COVID-19 emergency.

Section 1102 of the Act temporarily permits SBA to guarantee 100 percent of 7(a) loans under a new program titled the “Paycheck Protection Program.” Section 1106 of the Act provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program. On April 2, 2020, SBA issued an interim final rule (the Initial Rule) announcing the implementation of sections 1102 and 1106 of the Act. A more detailed discussion of sections 1102 and 1106 of the Act is found in section III of the Initial Rule.

This interim final rule supplements the Initial Rule with additional guidance regarding the application of certain affiliate rules applicable to SBA’s implementation of sections 1102 and 1106 of the Act and requests public comment.

## II. Comments and Immediate Effective Date

The intent of the Act is that SBA provide relief to America’s small businesses expeditiously. This intent, along with the dramatic decrease in economic activity nationwide, provides good cause for SBA to dispense with the 30-day delayed effective date provided in the Administrative Procedure Act (5 U.S.C. 553(b)(3)(B)). Specifically, small businesses need to be informed on how to apply for a loan and the terms of the loan under section 1102 of the Act as soon as

possible because the last day to apply for and receive a loan is June 30, 2020. The immediate effective date of this interim final rule will benefit small businesses so that they can immediately apply for the loan with a better understanding of loan terms and conditions. This interim final rule is effective without advance notice and public comment because section 1114 of the Act authorizes SBA to issue regulations to implement Title 1 of the Act without regard to notice requirements. This rule is being issued to allow for immediate implementation of this program. Although this interim final rule is effective immediately, comments are solicited from interested members of the public on all aspects of the interim final rule. These comments must be submitted on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The SBA will consider these comments and the need for making any revisions as a result of these comments.

### III. Affiliate Rules for Paycheck Protection Program

#### *Overview*

The CARES Act was enacted to provide immediate assistance to individuals, families, and organizations affected by the COVID-19 emergency. Among the provisions contained in the CARES Act are provisions authorizing SBA to temporarily guarantee loans under the Paycheck Protection Program (PPP). Loans under the PPP will be 100 percent guaranteed by SBA, and the full principal amount of the loans may qualify for loan forgiveness. Additional information about the PPP is available in the Initial Rule.

#### *1. Affiliation Rules Generally*

*Are affiliates considered together for purposes of determining eligibility?*



In most cases, a borrower will be considered together with its affiliates for purposes of determining eligibility for the PPP.<sup>1</sup> Under SBA rules, entities may be considered affiliates based on factors including stock ownership, overlapping management,<sup>2</sup> and identity of interest. 13 CFR § 121.301.

*How do SBA's affiliation rules affect my eligibility and apply to me under the PPP?*

An entity generally is eligible for the PPP if it, combined with its affiliates, is a small business as defined in section 3 of the Small Business Act (15 U.S.C. 632), or (1) has 500 or fewer employees whose principal place of residence is in the United States or is a business that operates in a certain industry and meets applicable SBA employee-based size standards for that industry, and (2) is a tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code (IRC), a tax-exempt veterans organization described in section 501(c)(19) of the IRC, a Tribal business concern described in section 31(b)(2)(C) of the Small Business Act, or any other business concern. Prior to the Act, the nonprofit organizations listed above were not eligible for SBA Business Loan Programs under section 7(a) of the Small Business Act; only for-profit small business concerns were eligible. The Act made such nonprofit organizations not only eligible for the PPP, but also subjected them to SBA's affiliation rules. Specifically, section 1102 of the Act provides that the provisions applicable to

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<sup>1</sup> Section 7(a)(36)(D)(iv) of the Small Business Act (15 U.S.C. § 636(a)(36)(D)(iv), as added by the Act, waives the affiliation rules contained in section 121.103 for (1) any business concern with not more than 500 employees that, as of the date on which the loan is disbursed, is assigned a North American Industry Classification System code beginning with 72; (2) any business concern operating as a franchise that is assigned a franchise identifier code by the Administration; and (3) any business concern that receives financial assistance from a company licensed under section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681). This interim final rule has no effect on these statutory waivers, which remain in full force and effect. As a result, the affiliation rules contained in section 121.301 also do not apply to these types of entities.

<sup>2</sup> In order to help potential borrowers identify other businesses with which they may be deemed to be affiliated under the common management standard, the Borrower Application Form, SBA Form 2483, released on April 2, 2020, requires applicants to list other businesses with which they have common management. The information supplied by the applicant in response to that information request should be used by applicants as they assess whether they have affiliates that should be included in their number of employees reported on SBA Form 2483.

affiliations under 13 CFR 121.103 apply with respect to nonprofit organizations and veterans organizations in the same manner as with respect to small business concerns. However, the detailed affiliation standards contained in section 121.103 currently do not apply to PPP borrowers, because section 121.103(a)(8) provides that applicants in SBA’s Business Loan Programs (which include the PPP) are subject to the affiliation rule contained in 13 CFR 121.301.

## **2. Faith-Based Organizations**

This rule exempts otherwise qualified faith-based organizations from the SBA’s affiliation rules, including those set forth in 13 CFR part 121, where the application of the affiliation rules would substantially burden those organizations’ religious exercise. This exemption is required, or at a minimum authorized, by the Religious Freedom Restoration Act (RFRA) (P.L. 103-141), which provides that the “[g]overnment shall not substantially burden a person’s exercise of religion” unless the government can “demonstrate[] that application of the burden” to the person is both “in furtherance of a compelling governmental interest” and “the least restrictive means of furthering that compelling governmental interest.” 42 U.S.C. 2000bb-1.

A substantial burden under RFRA includes both government action that compels a person to violate his sincere religious beliefs or suffer a penalty, *see, e.g., Burwell v. Hobby Lobby Stores, Inc.*, 573 U.S. 682, 726 (2014), and the imposition of a substantial burden through “indirect” measures. *Thomas v. Review Bd. of Ind. Emp. Sec. Div.*, 450 U.S. 707, 717-18 (1981). Notably, the government imposes a substantial burden on religious exercise when it “conditions receipt of an important benefit upon conduct proscribed by a religious faith, or where it denies such a benefit because of conduct mandated by religious belief.” *Id.* at 718. For example, in

*Sherbert v. Verner*, 374 U.S. 398 (1963), a State denied the plaintiff unemployment benefits because she would not work on Saturday, the Sabbath of her faith. *Id.* at 400-01. Even though no “sanctions directly compel[led]” her to work on Saturday, the Supreme Court held that the State’s denial of benefits “puts the same kind of burden upon the free exercise of religion as would a fine imposed against [her] for her Saturday worship.” *Id.* at 404. As the Court observed, the State’s framework “forces her to choose between following the precepts of her religion and forfeiting benefits, on the one hand, and abandoning one of the precepts of her religion in order to accept work, on the other hand.” *Id.* Consistent with these precedents, RFRA explicitly contemplates that “the denial of government funding, benefits, or exemptions” may violate its protections. 42 U.S.C. 2000bb-4.

SBA is aware of the existence of faith-based organizations that would qualify for relief under the CARES Act but for their affiliation with other entities as an aspect of their religious practice. Supreme Court precedent has long recognized that the organizational structure of faith-based entities may itself be a matter of significant religious concern and that faith-based organizations are therefore guaranteed the “power to decide for themselves, free from state interference, matters of church government as well as those of faith and doctrine.” *Kedroff v. St. Nicholas Cathedral of Russian Orthodox Church in N. Am.*, 344 U.S. 94, 116 (1952). Moreover, an assessment of the extent to which questions concerning religious polity rest upon theological or other religious foundations presents particular difficulties, for the First Amendment “forbids civil courts” from “the interpretation of particular church doctrines and the importance of those doctrines to the religion.” *Presbyterian Church v. Mary Elizabeth Blue Hull Mem’l Presbyterian Church*, 393 U.S. 440, 450 (1969). A number of faith-based organizations understand their affiliation with other religious entities as a part of their exercise of religion, as a mandate given

the “hierarchical or connectional” structure of their church, *Jones v. Wolf*, 443 U.S. 595, 597 (1979), or as an expression of their sincere religious belief. *Cf.* 1 W. Cole Durham & Robert Smith, *Religious Organizations and the Law* § 8.19 (Westlaw rev. ed. 2017) (“Religious organizations, such as parishes or mission centers, normally tend to choose the civil-property-holding structures that most closely mirror their own ecclesiology or polity.”). Either affiliation decision falls within the definition of “religious exercise” that applies to RFRA, which “includes any exercise of religion, whether or not compelled by, or central to, a system of religious belief.” *See* 42 U.S.C. 2000cc-5(7)(A); 2000bb-2(4) (“the term ‘exercise of religion’ means religious exercise, as defined in section 2000cc-5 of this title”).

As applied to these faith-based organizations, the affiliation rules would impose a substantial burden. The affiliation rules would deny an important benefit (participation in a program for which they would otherwise be eligible under the CARES Act) because of the exercise of sincere religious belief (affiliation with other religious entities).

The Administrator has also concluded that she does not have a compelling interest in denying emergency assistance to faith-based organizations that are facing the same economic hardship to which the CARES Act responded and who would be eligible for PPP but for their faith-based organizational and associational decisions. This conclusion is reinforced by the fact that the affiliation rules already contain numerous exemptions, *see generally* 13 C.F.R. 121.103(b), ranging from “[b]usiness concerns owned and controlled by Indian Tribes, Alaska Native Corporations, [and] Native Hawaiian Organizations,” *id.* 121.103(b)(2)(i) to “member shareholders of a small agricultural cooperative.” *Id.* 121.103(b)(7). In light of these exemptions, it is difficult to maintain that denying relief to these faith-based organizations is necessary to further a compelling government interest, let alone the least restrictive means of

doing so. See *Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah*, 508 U.S. 520, 547 (1993) (“[A] law cannot be regarded as protecting an interest of the highest order when it leaves appreciable damage to that supposedly vital interest unprohibited.”) (cleaned up); *Gonzales v. O Centro Espirita Beneficiente Uniao do Vegetal*, 546 U.S. 418, 433 (2006) (applying same principle under RFRA). SBA accordingly must exempt faith-based organizations that would otherwise be disqualified from the PPP based on features of those organizations’ affiliations that are a matter of sincere religious exercise as defined in 42 U.S.C. 2000bb-2.

This action is also supported by 15 U.S.C. 634(b)(6), which authorizes the Administrator to “make such rules and regulations as he deems necessary to carry out the authority vested in him by or pursuant to this chapter.” As relevant here, the CARES Act expanded eligibility for the covered loans during the covered period for nonprofit organizations that employ not more than 500 employees or, if applicable, the size standard in number of employees established by the Administrator for the industry in which the nonprofit organization operates. 15 U.S.C. 636(a)(36)(D)(i). That expansion posed unique concerns for the Administrator, who is tasked with applying the “provisions applicable to affiliations under section 121.103 of title 13, Code of Federal Regulations, or any successor thereto, . . . with respect to a nonprofit organization and a veterans organizations in the same manner as with respect to a small business concern.” *Id.* 636(a)(36)(D)(vi). Although these rules may easily be applied to faith-based organizations in many cases, their application to certain faith-based organizations presents significant challenges, in particular because of the large number of faith-based organizations who would now be eligible for the PPP but for their religious exercise.

As discussed above, carrying the affiliation rules over to all faith-based organizations without modification would raise concerns under RFRA. Moreover, application of the affiliation

rules, which, for example, provide for assessment of whether one faith-based organization “controls or has the power to control” another organization, 13 C.F.R. 121.103(a)(1), could involve SBA in questions of church governance concerning “the allocation of power within a (hierarchical) church so as to decide . . . religious law (governing church polity),” in violation of the First Amendment. *Serbian E. Orthodox Diocese for the U.S.A. & Canada v. Milivojevich*, 426 U.S. 696, 709 (1979) (internal quotation marks omitted)). Finally, affiliation rules developed in the context of for-profit enterprises present significant administrative difficulties where faith-based organizations are concerned. For example, “the notion of corporate subsidiarity or affiliation in civil law is entirely foreign to the polity of religious organizations,” and there is a significant risk that civil authorities will “mischaracterize or misinterpret the polity of a religious body.” 1 W. Cole Durham & Robert Smith, *Religious Organizations and the Law* §§ 8.19, 8.21 (discussing examples of judicial mischaracterizations). Consistent with these concerns, it is also notable that other areas of federal law approach issues analogous to affiliation differently for religious organizations. *See, e.g.*, 26 U.S.C. 512 (b)(12).

For these reasons, in addition to the RFRA mandate, the Administrator has determined that it is appropriate to exercise the authority granted under 15 U.S.C. 634(b)(6) to exempt from application of SBA’s affiliation rules faith-based organizations that would otherwise be disqualified from participation in PPP because of affiliations that are a part of their religious exercise.

Accordingly, the SBA’s affiliation rules, including those set forth in 13 CFR part 121, do not apply to the relationship of any church, convention or association of churches, or other faith-based organization or entity to any other person, group, organization, or entity that is based on a sincere religious teaching or belief or otherwise constitutes a part of the exercise of religion.

This includes any relationship to a parent or subsidiary and other applicable aspects of organizational structure or form. A faith-based organization seeking loans under this program may rely on a reasonable, good faith interpretation in determining whether its relationship to any other person, group, organization, or entity is exempt from the affiliation rules under this provision, and SBA will not assess, and will not require participating lenders to assess, the reasonableness of the faith-based organization's determination.

### ***3. Additional Information***

SBA may provide further guidance, if needed, through SBA notices and a program guide which will be posted on SBA's website at [www.sba.gov](http://www.sba.gov).

Questions on the Paycheck Protection Program 7(a) Loans may be directed to the Lender Relations Specialist in the local SBA Field Office. The local SBA Field Office may be found at <https://www.sba.gov/tools/local-assistance/districtoffices>.

### **Compliance with Executive Orders 12866, 12988, 13132, and 13771, the Paperwork Reduction Act (44 U.S.C. Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601-612).**

#### **Executive Orders 12866, 13563, and 13771**

This interim final rule is economically significant for the purposes of Executive Orders 12866 and 13563, and is considered a major rule under the Congressional Review Act. SBA, however, is proceeding under the emergency provision at Executive Order 12866 Section 6(a)(3)(D) based on the need to move expeditiously to mitigate the current economic conditions arising from the COVID-19 emergency. This rule's designation under Executive Order 13771 will be informed by public comment.

#### **Executive Order 12988**

SBA has drafted this rule, to the extent practicable, in accordance with the standards set forth

in section 3(a) and 3(b)(2) of Executive Order 12988, to minimize litigation, eliminate ambiguity, and reduce burden. The rule has no preemptive or retroactive effect.

#### Executive Order 13132

SBA has determined that this rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various layers of government. Therefore, SBA has determined that this rule has no federalism implications warranting preparation of a federalism assessment.

#### Paperwork Reduction Act, 44 U.S.C. Chapter 35

SBA has determined that this rule will impose recordkeeping or reporting requirements under the Paperwork Reduction Act (“PRA”). SBA has obtained emergency approval under OMB Control Number 3245-0407 for the information collection (IC) required to implement the program described above. This IC consists of Form 2483 (Paycheck Protection Program Application Form) and SBA Form 2484 (Paycheck Protection Program Lender’s Application for 7(a) Loan Guaranty), and is approved for use until September 30, 2020.

#### Regulatory Flexibility Act (RFA)

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule pursuant to section 553(b) of the APA or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the Federal Register. 5 U.S.C. 603, 604. Specifically, the RFA normally requires agencies to describe the impact of a rulemaking on small entities by providing a regulatory impact analysis. Such analysis must address the consideration of regulatory options that would lessen the economic effect of the rule on small entities. The RFA defines a “small entity” as (1) a proprietary firm meeting the size standards of the Small Business Administration (SBA); (2) a



nonprofit organization that is not dominant in its field; or (3) a small government jurisdiction with a population of less than 50,000. 5 U.S.C. 601(3)–(6). Except for such small government jurisdictions, neither State nor local governments are “small entities.” Similarly, for purposes of the RFA, individual persons are not small entities.

The requirement to conduct a regulatory impact analysis does not apply if the head of the agency “certifies that the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” 5 U.S.C. 605(b). The agency must, however, publish the certification in the Federal Register at the time of publication of the rule, “along with a statement providing the factual basis for such certification.” If the agency head has not waived the requirements for a regulatory flexibility analysis in accordance with the RFA’s waiver provision, and no other RFA exception applies, the agency must prepare the regulatory flexibility analysis and publish it in the Federal Register at the time of promulgation or, if the rule is promulgated in response to an emergency that makes timely compliance impracticable, within 180 days of publication of the final rule. 5 U.S.C. 604(a), 608(b).

Rules that are exempt from notice and comment are also exempt from the RFA requirements, including conducting a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. SBA Office of Advocacy guide: *How to Comply with the Regulatory Flexibility Act. Ch.1. p.9*. Accordingly, SBA is not required to conduct a regulatory flexibility analysis.

### **List of subjects in 13 CFR part 121**

Administrative practice and procedure, Authority delegations (Government agencies), Intergovernmental relations, Investigations, Reporting and recordkeeping requirements.

For the reasons stated in the preamble, the Small Business Administration revises 13 CFR Part 121 as set forth below:

1. The authority citation for part 121 is revised to read as follows:

Authority: 15 U.S.C. 632, 634(b)(6), 636(a)(36); 662, and 694a(9), Pub. L. No. 116-136, Section 1114.

2. Revise § 121.103(b) by adding (b)(10) to read as follows:

**§ 121.103 How does SBA determine affiliation?”**

\*\*\*\*\*

(b) \*\*\*

(10)(i) The relationship of a faith-based organization to another organization is not considered an affiliation with the other organization under this subpart if the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion. In addition, the eligibility criteria set forth in 15 U.S.C. 636(a)(36)(D) are satisfied for any faith-based organization having not more than 500 employees (including individuals employed on a full-time, part-time, or other basis) that pays federal payroll taxes using its own Internal Revenue Service Employer Identification Number (EIN) or that would be eligible for a deduction under the second sentence of 26 U.S.C. 512(b)(12) if the organization earned unrelated business taxable income. For purposes of this paragraph, the term “faith-based organization” includes, but is not limited to, any organization associated with a church or convention or association of churches within the meaning of 26 U.S.C. 414(e)(3)(D). The term “organization” has the meaning given in 26 U.S.C. 414(m)(6)(A). The terms “church” and “convention or association of churches” have the same meaning that they have in 26 U.S.C. 414.

(ii) No specific process or filing is necessary to claim the benefit of this exemption. In applying for a loan under the PPP, a faith-based organization may make all necessary

certifications with respect to common ownership or management or other eligibility criteria based upon affiliation, if the organization would be an eligible borrower but for application of SBA affiliation rules and if the organization falls within the terms of the exemption described above. If a faith-based organization indicates any relationship that may pertain to affiliation, such as ownership of, ownership by, or common management with any other organization, on or in connection with a loan application, and if the faith-based organization applying for a loan falls within the terms of the exemption described above with respect to that relationship, the faith-based organization may indicate on a separate sheet that it is entitled to the exemption. That sheet may be identified as addendum A, and no further listing of the other organization or description of the relationship to that organization is required. A sample “Addendum A” is attached to the rule, but this format need not be used as long as the substance is the same.

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3. Add Addendum A to part 121 to read as follows:

[Sample]

## ADDENDUM A

- ✓ The Applicant claims an exemption from all SBA affiliation rules applicable to Paycheck Protection Program loan eligibility because the Applicant has made a reasonable, good faith determination that the Applicant qualifies for a religious exemption under 13 C.F.R. 121.103(b)(10), which says that “[t]he relationship of a faith-based organization to another organization is not considered an affiliation with the other organization . . . if the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion.”

Dated:

**Jovita Carranza,**  
*Administrator*