



COVID-19 Resources Support: Medical Office/Outpatient



Dear Tenants,

We understand the current environment continues to be highly challenging, and we want to provide you with as much information and support as we can. The federal government has implemented several programs designed to give you financial relief during this terrible pandemic. **We strongly encourage your participation in all of the programs for which you are eligible.** Please do not hesitate to reach out to us with any questions on these programs.

SBA Paycheck Protection Program (“PPP”) Program

As a reminder, the PPP is potentially a forgivable loan. The application process is up and running through local and national banks. The Treasury/SBA released a third threshold for PPP eligibility last week which may enable more participation:

- a. Employer’s maximum tangible net worth on March 27, 2020, is not more than \$15 million; and
- b. Employer’s average net income after Federal income taxes (excluding any carry-over losses) for the two full fiscal years before the date of application is not more than \$5 million

Payroll Tax Deferral Update with respect to PPP:

- On Friday, April 10, the IRS clarified PPP loan recipients may participate in the payroll tax deferral program until the loan is forgiven. Upon loan forgiveness, employers may no longer defer payroll taxes, BUT amounts deferred through the date of PPP loan forgiveness are not due until December 31, 2021 (50%) and December 31, 2022 (50%).
- All companies are eligible to defer payroll taxes under the CARES Act, and we strongly encourage you to take advantage of this liquidity opportunity. See more information [here](#).

Main Street Lending Program

This program supports lending to small and mid-sized businesses on such terms and conditions set by the Federal Reserve. While terms are generally outlined below, they are anticipated to be finalized by April 16th – we expect the program will be up and running thereafter.

- Four year maturity
- Amortization of principal and interest deferred for one year
- Adjustable rate of [SOFR](#) + 2.50% - 4.00% (as of today, the SOFR rate is 0.01%)
- Minimum loan size of \$1 Million
- Maximum loan size that is the lesser of
 - (i) \$25 Million or
 - (ii) an amount that, when added to the Eligible Borrower’s existing outstanding and committed and Undrawn **Debt / 2019 EBITDA < 4x**
- Prepayment permitted without penalty

Certain attestations must be made including maintaining payroll and retaining workers. Proceeds of the loan will not be used to refinance or paydown debt. There are also certain compensation limits.

We will continue to keep you updated on these additional financial support options:

1. **\$100 Billion Healthcare Fund: Public Health and Social Services Emergency Fund (PHSSE).** This is an emergency fund earmarked for healthcare related expenses or lost revenues that are attributable to COVID-19. These funds are grants, not loans. There are attestation requirements as well as certain [terms and conditions](#) that apply.
2. **\$454 Billion Stabilization Fund.** This is a loan program run by the Treasury and Federal Reserve. We anticipate the regulations and process to be forthcoming. Interest rates are not expected to exceed 2%. Certain restrictions on these funds may apply including stock buybacks, dividends and capital distributions, as well as employee compensation limits.

We will continue to update you with information as it is released. Please note that this letter is intended to be an information resource and should you need further tax assistance, please consult a tax advisor or legal counsel.

We will continue to update you on information as it is released via our [online portal](#) and please don't hesitate to reach out to your property or leasing manager or [email us](#) with any questions that you may have.



COVID-19 RESOURCES SUPPORT WEBSITE:
<https://www.lillibridge.com/covid-19>

Send your questions to
CovidSupport@ventasreit.com