



# CITY OF BELMONT

## MAIN STREET

### Memo

To: Downtown Property Owners and Tenants

From: Belmont Main Street Program

Date: 4/20/2020

Re: FDIC Program to Assist Property Owners and Tenants

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We all find ourselves dealing with changes in our lives based on the COVID-19 virus and its effects on our health, economy, and families. We need to come together to see how we can get through the next few months as the economy gets back on track.

It is important that Belmont work together to keep our businesses viable and ready for business in the days and months ahead. We all agree that these business downturns affect all of us, but our financial obligations (mortgage payments/lease payments) are constant. Depending if you are a landlord or a tenant, you have different challenges to maintain your cash flows and pay your obligations. Putting a strain on our limited liquidity. As a tenant without customers and as a landlord without tenants – no one wins. This is an opportunity for all of us to work together and get through the next few months as we get our businesses back on track – to **#KeepTheLightsOn** in Belmont. Working together to get through this short-term stall in our economy, we have some resources we can draw on.

**As a Landlord**, the Federal Reserve is encouraging banks to offer commercial borrowers short-term (6 months) loan modifications, with no adverse credit effect for the borrower.

Summary: FDIC Statement on Loan Modifications for Customers Affected by COVID-19.

<https://www.fdic.gov/news/news/press/2020/pr20049a.pdf>

“The agencies encourage financial institutions to work prudently with borrowers who are or may be unable to meet their contractual payment obligations because of the effects of COVID-19. The agencies view loan modification programs as positive actions that can mitigate adverse effects on borrowers due to COVID-19. The agencies will not criticize institutions for working with borrowers in a safe and sound manner. As described below, institutions generally do not need to categorize COVID-19-related modifications as TDRs (Troubled Debt Restructure).”



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How does a short-term loan modification benefit you AND your tenant? It allows you to pass your loan modification benefit to your tenant - a “trickle down event” - to assist your tenants so they can keep their business open and helps you keep that great tenant for 60-90 days. It allows you to offer your tenant a modification of their lease.

**As a Tenant**, you can draw on the SBA Economic Disaster Loan program (EIDL), Paycheck Protection Program (PPA) which allows assistance with payroll, lease payments and operating costs. The City of Belmont developed a Small Business Emergency Loan Program to award bridge loans until federal or state assistance comes to realization.

The Belmont Main Street program is here to support landlords and tenants - to help you “Keep the Lights On” in Belmont. If we can be of any assistance please contact our Downtown Director, Phil Boggan, at 225-978-8181 or [pboggan@cityofbelmont.org](mailto:pboggan@cityofbelmont.org). Again, we are all in this together and need to work together to get through this crisis.