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March 16, 2020

Re: COVID-19 – Economic Impact & Financial Relief

Health and safety have always been among our top priorities at GRP Capital. We are closely monitoring trusted healthcare organizations and following governmental recommendations regarding the Coronavirus (COVID-19).

On behalf of our entire team, we are addressing and implementing business continuity plans to keep our operations active. While there might be slight delays as we transition, we expect no material disruption to any aspect of our business. We assure you that you will receive the same commitment to service that we always offer.

### **Economic Impact & Financial Relief**

As a result of health and safety concerns, there have been severe economic disruptions that have impacted the hospitality industry:

- Cancellation of public events such as conventions, conferences, sporting events, concerts, and other large occasions
- Shutdown of major tourist destinations
- Global travel restrictions
- Corporate mandated travel restrictions and transition to remote workforces
- University and school populations transitioning to online learning
- Limited foot travel through airports, ports, train stations, and other transportation hubs

We understand that the rapidly-evolving COVID-19 situation poses unique challenges for everyone and some business owners may have difficulty making their monthly payments or securing financial relief. Rest assured, **GRP Capital is with working with lenders and governmental agencies to ramp-up and assist small business owners.**

The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus.

Economic Injury Disaster Loan (EIDL) details:

- The House of Representatives passed bill H.R. 6074 titled “Small Business Relief from Communicable Disease Induced Economic Hardship Act of 2020”, which would amend the SBA Act, to ensure that all businesses adversely affected by communicable diseases such as COVID-19 are eligible for disaster relief. This would ensure that a larger group of businesses would be able to apply for aid, whether or not their locality is officially declared an economic disaster area.



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- EIDLs offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- With interest rates as low as 3.75%, EIDLs may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.
- EIDLs offer loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

**GRP Capital is also working with lenders and loan agencies nationwide to carve more flexible terms for transactional debt:**

Notably, U.S. Senator Marco Rubio's bill responds to the President's request by including authority for \$50 billion in 7(a) lending for the remainder of FY2020. This is in addition to the \$30 billion in 7(a) lending authority provided for in the FY2020 funding package passed by Congress and signed into law in December. It also proposes several stimulus measures to be in effect for the duration of one year, including the following key provisions:

- Waives all borrower upfront guaranty fees for all borrowers, regardless of loan size
- Waives the ongoing fee for all lenders
- Increases the guarantee on all 7(a) loans to 90%
- Increases the Express maximum loan amount to \$1 million from \$350,000, and after 1 year, lowers the maximum loan amount to \$500,000 rather than the existing \$350,000.
- Gives increased flexibility to the Economic Injury Disaster Loans (EIDLs)

Small businesses that are already experiencing a detrimental impact due to COVID-19 should contact us or their existing lenders to discuss short-term changes in terms, including extending amortization during a period of interest-only payments. GRP Capital is working with its family of lenders to create solutions for its clients who are experiencing business disruption.

We will circulate updates as details emerge.

Sincerely,

Rick Patel  
President