



Quick Guide to Help Small Business Owners and Entrepreneurs Preserve Cash Multiple Sources

Business and Personal Credit Cards

Many business owners and entrepreneurs have credit cards for themselves and their key employees. These cards support a variety of payments and transactions. If you do have a balance on your credit card and do not believe you will be able to pay down the balance or make your monthly minimum payment, contact the issuer of that credit card immediately. Nearly every credit card issuer understands that the COVID-19 pandemic has impacted businesses of all sizes. If you call them, most of them will be willing and able to help you with the following:

- If you cannot afford to pay your minimum monthly balance, ask your credit card company if you can "defer" your payments without accruing added interest. Your credit card company may offer you options to defer payments for a month or several months. It is always good to ask for the time you believe you will need. And it never hurts to ask if you can defer the payment without adding more interest to your bill. Some companies will agree to defer your payments without added interest, and some may push back and offer a deferred payment with interest.
- If you wish to lower your minimum monthly payment, ask if you can reduce it by a specific amount (if possible). Base your request on the amount you believe you and your business can afford.
- If you do not believe you will be able to pay any amount of your credit card bill, you can also ask your credit card issuer if you can have a "collection forbearance," which allows you to skip payments for a specified period. Most credit card companies may agree to forbearance if you are willing to pay the monthly interest.
- If your credit card bill is due by a specific deadline, you can ask your issuer if you can extend your payment deadline by several days or weeks.
- If your business can pay credit card bills, but still struggles to make these payments, ask your issuer if you can reduce the interest by a certain percentage.
- If your interest rate is high, your issuer may reduce it significantly.
- If you have already missed credit card payments, talk with your issuer, and let them know about your hardship. If you have been a good customer, ask them if they will waive any late fees or reduce them.

Your credit card issuer, bank, or financial services company are businesses, too. And most of these businesses want to be helpful to their customers during and after the pandemic. If you take the time to call and write to your credit card issuer, most of them will work with you on a payment plan and schedule that works best for both parties.

Since many credit card issuers have posted their requirements on their websites, it is best to do your review of their conditions before you place a call or write a letter. Follow their instructions carefully. If you do call, be polite. Note the time of your request; write down the name of the person or persons you spoke with; ask for a written confirmation of what you discussed (either by mail or email), and make sure you keep your agreement.

If you do not make arrangements with your credit card issuer, your company may be reported to credit bureaus and collection agencies. Do your best to protect your credit rating and your business.

Commercial Office Rent

Depending on where you live and where you have office space, your local, regional, and state government may have passed regulations, legislation, or specific laws that could offer your business support for rent payments. If the COVID-19 pandemic impacted your business, check to see if your local government has passed any laws that protect small businesses that lease their workspaces. In some cities, counties, and states, landlords may be prohibited from evicting their tenants—for a specific period—due to a business owner's inability to pay rent during the pandemic. If your business is housed within a government-owned and operated, building or facility, some city, county, and state governments may be willing to defer your rental payments or forgive them altogether.

If your city, county, or state has laws forbidding commercial landlords from evicting companies due to the coronavirus pandemic, print out a copy of the law (or cite the law) when you speak with your landlord and building management. In some cases, your landlord or building manager may not know of the law. Cities, counties, and states that do enact laws about commercial rent may prohibit landlords (and their agents) from harassing you for payment, barring you from your business premises, or interfering with your ability to engage in business transactions. Knowing and understanding your rights is essential since laws and regulations may differ significantly from city to city and from state to state.

Since building owners and landlords are businesspeople too, most want will want to work with their tenants to find an equitable solution.

Auto and Equipment Leases

If you have a leased automobile for personal or business purposes, nearly all automotive companies have plans to help you defer and/or reduce payments for business owners and entrepreneurs who have been impacted by the COVID-19 pandemic. Some of the automakers with financial services departments are also willing to reduce your interest rate to help business owners who are experiencing financial hardship due to the coronavirus.

The same holds true for equipment leasing companies. Check with your financial services company and leasing company for details on how you can reduce your payments, defer payments to a later date, reduce your interest rate, and lower or eliminate any late fees. In some instances, you may be asked to prove financial hardship. Be prepared to explain why and how the pandemic has negatively impacted your business and your ability to pay. If you do make an agreement on a payment plan and schedule, make sure you are able to keep your part of the agreement.

Bank Loans

If you have a commercial or personal bank loan or line of credit, call your bank, credit union, or financial services lender, and ask about their immediate relief programs for small business owners and entrepreneurs. Your bank is motivated to help you. In some cases, you may be able to receive payment relief (based on your needs and the bank's needs) for a month or more. This includes payment relief on principal and interest, interest only, or principal only. You may also be able to secure loans with no fees or closing costs, expedited paperwork, lower interest rates, and with a quick approval time. If you do have loans or lines of credit, some banks and financial services companies may also increase your line, defer payments, or lower interest rates without lowering or impacting your credit rating.

Your willingness to communicate with your bank or financial services company is very, very important. Banks are eager to find a way to help you because it is in their best interests as well. No bank or financial services company want customers who default on their loans or lines of credit. Instead, it is in their best interest and yours to ensure that your business remains healthy, strong, and vibrant.

Utilities

Most utility companies—large and small—have arrangements to help consumers and business owners during the pandemic. Nearly all telecommunications, electric, water and gas companies have agreed not to discontinue service to your business and home for non-payment during the pandemic. Some utility companies are offering business owners a flexible payment plan during and after the pandemic. These plans offer an attractive way for business owners who pay their utilities directly to lower their rates and their payments, without negatively impacting their credit rating. Speak with your utility companies about their flexible payment plans and about other programs they are offering to help small businesses during the coronavirus pandemic.

Miscellaneous Tips

In order to save money during the pandemic, consider some of the following tips (offered by other small business owners and entrepreneurs).

- **Parking Fees.** Some businesses pay for parking on a monthly basis. If much of your workforce is working from home, ask the company that manages parking to suspend your monthly parking fees until the pandemic is over. Most parking companies understand that your workforce may be under “staying at home” mandates and will waive parking fees for at least a month.

- If your building management and landlord are unwilling to reduce your monthly lease payments, ask for other considerations. If your staff is working from home, your building is paying less for utilities (such as water and electricity). Your building management may reduce your monthly lease based on these savings. If you agree to any deferment or abatement, be sure to reconfirm the agreement in writing with the building management.

Tips on How to Speak with Banks, Financial Services Companies, Landlords, and Others

Before you review this section, it is important to remember the following:

1. Review your agreements, including loan/line of credit documents, lease agreements, and invoices. Furthermore, take some time to review any announcements pertaining to COVID-19 that may be posted on the websites of your bank, financial services company, building management, or leasing company.
2. Banks, financial services institutions, utility companies, and landlords are all businesspeople, too. It is in everyone's best interests to find solutions during and after the coronavirus pandemic.
3. As business owners and entrepreneurs, if you ask for something (such as a reduction on your monthly payment or a reduction on your monthly interest rate), you will be asked for something in return. If you enter into an agreement with your bank, credit card issuer, utility company, etc., they have every right to expect that you will keep your commitments.
4. If you have any doubts or concerns regarding any pending agreement you make with any of the aforementioned companies and organizations, please consult an attorney or trusted partner.
5. Before you speak with any bank, financial services company, landlord, credit card issuer, et al., please be prepared to share the following:
 - Your account or customer number
 - The amount owed from past invoices or bills
 - Your payment history, especially if you have paid your bills on time in the past
 - The amount you are willing and able to pay (and for what period of time)
 - Your annual interest rate and the amount you are able to afford; do not be afraid or worried to ask for a rate
 - Your previous revenue levels prior to the coronavirus pandemic, and what it is now
 - An explanation why your payments pose an economic hardship to you and your company

Words and Phrases You May Wish to Use When Speaking with a Lender

Speaking frankly and professionally with bank representatives, loan officers, landlords, and credit card issuers may seem like a difficult and daunting task. However, as mentioned earlier, most of these individuals and companies want to help. If you remain professional, polite, and

calm, it is more than likely that they will do their best to find a solution that works for you and for them. Here are a couple of ways to express yourself when approaching a bank representative or financial services agent about deferring your loan or line of credit payment.

To reduce your loan payment:

“Thank you for speaking with me. Due to the coronavirus pandemic, my business is no longer able to afford making monthly loan payments. I would like to make arrangements to reduce my payments each month until this pandemic is over.”

To reduce your interest rate:

“Thank you for taking my telephone call. After reviewing your website, I learned that I am able to reduce my annual interest rate during the coronavirus pandemic. Please let me know my options.”

To reduce your monthly office rent:

“Due to the coronavirus pandemic, my business is closed (or operating with only essential staffing). Since my company is unable to operate at full capacity during the pandemic, I am seeking a reduction in my monthly rent.”

“Since my business is closed due to the coronavirus pandemic, we no longer need parking for all of our employees. I am calling to receive a monthly fee abatement until we are able to return to work.”

Before You End Your Call

Once you have completed a verbal agreement with your bank representative, credit card issuer, landlord, financial services agent, etc., it is important that you do the following:

- While still on the call, reconfirm and restate what each of you have agreed upon
- Reconfirm the details of the agreement in writing and have your bank, landlord, credit card issuer, etc. acknowledge the agreement in writing
- Ask for and write down the name of the person you made the agreement with you, including their first name, last name, and title
- Note the date and time of your call
- If you asked any questions, write down your question and the answer you received
- If they asked you any questions, write down what was asked and take note of your response
- If you were asked to speak with another representative, ask for their name and title (along with the date and time you speak with this individual)
- Ask for a telephone number and email address just in case you need to follow-up with any questions or require any future clarifications
- Keep a copy of any future conversations and place them in a file for future reference
- And always say thank you; being courteous goes a long way in finding a solution that is best for you and your business.

This pandemic has impacted millions of business owners, entrepreneurs, and consumers. Every company, organization, and governmental agency recognizes that you are not alone in seeking assistance, support, and guidance. There are no bad questions; therefore, please do not hesitate to ask. And there is no shame in seeking and asking for help.

Please be safe, healthy, and secure.

National ACE

www.NationalACE.org

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Document:	Survival Tips – Rough Draft Only (Translate: Chinese, Korean, Vietnamese, Japanese, Thai, Tagalog)
Version:	4
Author:	B. Imada
Date:	May 8, 2020