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Dear Morning Star Family,

I am writing to you, along with our entire Board of Elders, to share some good news regarding the PPP loan (Payroll Protection Plan) that we recently received from our bank.

When COVID 19 began drastically disrupting our world in mid-March, we experienced a significant drop in giving that was alarming. During this time, the government approved a stimulus package that was very favorable to small businesses with special consideration given to churches. After much fervent prayer, research, and seeking counsel from other churches, we applied for this loan to protect our staff from potential pay cuts, furloughs, and layoffs. We believe our staff is involved in mission-critical work, and we wanted to do everything possible to protect their positions.

We are pleased to inform you that on April 20, 2020, we received \$193,220 from Bank of the West to go toward staff salaries and benefits during this uncertain economic time. Here are the essential details you need to know regarding the terms for the PPP loan.

Important Terms

- We have only eight weeks to spend the money.
- At least 75% of the loan must be used for payroll and benefits.
- Up to 25% of the loan can be spent on mortgage interest and utilities.
- At the end of the eight weeks, the money that was used for its intended purposes (listed above) will be forgiven.
- We will have two years at 1% interest to pay off any portion of the loan that is not forgiven.

Why did we accept this loan?

We had a good discussion as we weighed the pros and cons of the PPP loan. Here are the main reasons why we decided to move forward with this option.

- When we applied, our financial picture looked very grim. We simply do not have the reserves to weather a financial drop without cutting staff.
- The loan buys us time to see how COVID 19 will play out long-term before needing to make any staff decisions that feel premature to make.
- Most, if not all, of this loan is forgivable and will become a grant.
- In reading the terms and stipulations carefully, we did not see anything that would prohibit our ability to carry out our mission to lead people to pursue a Jesus-first life. We will continue to be a gospel-centered church that will not compromise the good news of Jesus in any way.
- Many of the congressmen who worked on this bill were thinking specifically of how to help churches during this season.
- Of the several like-minded churches we checked with, all were applying for the PPP loan with no hesitation.

We believe this PPP loan is a blessing from God to help further the work of His kingdom—and there's a lot of work yet to be done. We encourage those who are able to continue giving to the ministry of Morning Star so we can meet ongoing non-staff expenses, rebuild our underfunded emergency savings, and continue to better serve our community and world. We will observe giving patterns over the next two months to assess what our future budget might be after the stimulus funds are depleted. This is a vital season for us to plan for the future.

If you have any questions, please know that we are excited to dialogue with you to help bring clarity to any area. Just send your questions and comments to elders@mstar.church and we will get back to you as soon as it is possible.

We're so grateful that the Morning Star family is together in Spirit, and we're looking forward to the time when we can gather together again face to face!

With you in leading people to pursue a Jesus-first life,

John Jaskilka, Executive Pastor