

EMERGENCY

BUSINESS ASSISTANCE



Paycheck Protection Program

Summary

The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis.

The loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and
- Employee and compensation levels are maintained.

<p><i>Deadline?</i></p>	<p>Loans are available through June 30, 2020.</p> <p>Small businesses and other eligible entities will be able to apply between February 15, 2020 and June 30, 2020.</p> <p>This program is retroactive to February 15, 2020, in order to help bring workers who may have already been laid off back onto payrolls.</p>
<p><i>How much money can a business get?</i></p>	<p>Maximum business loan of \$10 million at a 1% fixed rate.</p> <ul style="list-style-type: none">• If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.• If you were not in business between February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020. <p><i>Note: Payroll costs are capped at \$100,000 on an annualized basis for each employee. Loan payments will be deferred for 6 months and no interest charged on forgiven amounts. 75% of the loan amount must be used for payroll costs.</i></p>
<p><i>Who is eligible?</i></p>	<p>Small businesses with up to 500 employees, 501 (c)(3) nonprofits, 501(c)(19) veteran’s organizations, independent contractors, and self-employed individuals are eligible to apply. The program also temporarily waives SBA “affiliation rules” to allow businesses with multiple locations to qualify, such as hotels, food services industries, and franchises.</p> <p><i>Borrowers will need to demonstrate that their businesses were operational on February 15, 2020 and make a good faith certification that the loan is necessary due to the uncertainty of the current economic conditions caused by COVID-19.</i></p>

<p><i>What can loan funds be used for?</i></p>	<ul style="list-style-type: none"> • Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent) • Payment for vacation, parental, family, medical, or sick leave • Allowance for dismissal or separation • Payment required for the provisions of group health care benefits, including insurance premiums • Payment of any retirement benefit • Payment of State or local tax assessed on the compensation of employees • Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums • Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation) • Rent • Utilities • Interest on any other debt obligations that were incurred before the covered period
<p><i>How do businesses apply?</i></p>	<p>The 2-page application can be found online here.</p> <p>You will need to complete the PPP loan application and submit the application with the required documentation to an approved SBA 7(a) lender or through any federally insured depository institution and federally insured credit union that is available to process your application by June 30, 2020.</p> <p>Approved SBA 7(a) banks can be found here.</p>
<p><i>When can businesses apply?</i></p>	<p>Starting April 3, 2020- Small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.</p> <p>Starting April 10, 2020- Independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.</p> <p><i>Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.</i></p>
<p><i>Timeline</i></p>	<p>Lenders may begin processing loan applications as soon as April 3, 2020.</p>
<p><i>Tips</i></p>	<p>This program is waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources.</p>
<p><i>Contact Information</i></p>	<p>You can speak directly with a local SBA representative by calling 312-353-4528.</p>