

# *Small Business Paycheck Protection Program*

Provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.

- ALL SMALL BUSINESSES ELIGIBLE
  - Small Business with 500 or fewer employees – including nonprofits, veterans’ organizations, tribal concerns, self-employed, sole proprietorships, and independent contractors. Businesses with more than 500 employees are eligible in certain industries.
- FULLY FORGIVEN
  - Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities over an **8-week** period after the loan is made.
  - Payroll costs capped at \$100,000 on an annualized basis for each employee.
  - Due to high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
  - Loan payments will be **DEFERRED** for 6 months.
- MUST KEEP EMPLOYEES ON PAYROLL – or REHIRE QUICKLY
  - This means that forgiveness on the loan is based on the employer ***maintaining or quickly rehiring employees and maintaining salary levels.***
  - Forgiveness will be reduced if full time headcount declines, or if salaries and wages decrease.

## *WHEN TO APPLY?*

- 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.
- 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.
- You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by **June 30, 2020**.

## *WHERE CAN I APPLY?*

- You can apply through an existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. You can visit [www.sba.gov](http://www.sba.gov) for a list of SBA lenders.

# FAQs

**What other documents will I need to include in my application?** You will need to provide your lender with payroll documentation.

**Do I need to first look for other funds before applying to this program?** No. The government is waving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources.

**How many loans can I take out under this program?** Only one.

**What can I use these loans for?** You should use these the proceeds from these loans on your:

- Payroll costs, including benefits
- Interest on mortgage obligations, incurred **before February 15, 2020**
- Rent, under lease agreements in force **before February 15, 2020**
- Utilities, for which service began **before February 15, 2020**

**What counts as payroll costs?** Payroll costs include

- Salary, wages, commissions, or tips, (capped at \$100,000)
- Benefits including cost for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal, payments required for provisions of group health care benefits including insurance premiums; and payment of any retirement benefit.
- State and local taxes assessed on compensation; and
- For a sole proprietorship or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

**How much of my loan will be forgiven?** You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.

**What is my interest rate?** Not more than 4% and it's a fixed rate.

**Can I pay my loan earlier than 2 years?** Yes. There are no prepayment penalties or fees.

**Do I need to pledge any collateral for these loans?** No. No collateral is required.

**Do I need to personally guarantee this loan?** No. There is no personal guarantee requirement.