

SMALL BUSINESS PAYCHECK PROTECTION PROGRAM

The 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.

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 (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll).

Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Must Keep Employees on the Payroll—or Rehire Quickly

Forgiveness 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.

All Small Businesses Eligible

Small businesses with 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

When to Apply

Starting April 3, 2020, small businesses and sole proprietorships can apply.

Starting April 10, 2020, independent contractors and self-employed individuals can apply.

We encourage you to apply as quickly as you can because there is a funding cap.

How to Apply

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. 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.

All loans will have the same terms regardless of lender or borrower. A list of participating lenders, as well as additional information and full terms, can be found at www.sba.gov. The Paycheck Protection Program is implemented by the Small Business Administration with support from the Department of the Treasury. Lenders should also visit www.sba.gov or www.coronavirus.gov for more information

EIDL & PPP Loan Program Side-by-Side Comparison

Loan Program	Economic Injury Disaster Loan (EIDL)	Paycheck Protection Program Loan (PPPL)
Lender	Small Business Administration (SBA)	Financial institutions (commercial banks, credit unions, and other approved lenders)
Program Period	January 31, 2020 – December 31, 2020	February 15, 2020 – June 30, 2020 (Loan covers 8-weeks of eligible expenses within above time frame.)
Eligibility	<ul style="list-style-type: none"> • Have 500 or fewer employees, • Are a sole proprietor, independent contractor, or self-employed individual. • Been in business since January 31, 2020. 	<ul style="list-style-type: none"> • Have 500 or fewer employees, • Are a sole proprietor, independent contractor, or self-employed individual, • A small business that meets the SBA small business industry-specific standards, • Operate an accommodation or foodservice business (NAICS Code 72) with 500 or fewer employees per location, • A business assigned a franchise operator code by SBA, • A business that receives assistance under the Small Business Investment Act. <p>AND</p> <ul style="list-style-type: none"> • Been in business since February 15, 2020, and paid taxes on your employees or independent contractors.
Loan Amount	<ul style="list-style-type: none"> • The maximum loan size is \$2 million. • Applicants who apply for this loan may request an advance Emergency EIDL grant of up to \$10,000 from the SBA. 	<ul style="list-style-type: none"> • 2.5x the average monthly “payroll” costs, measured over the 12 months preceding the loan origination date. A seasonal business may use the period February 15, 2019 – June 30, 2019, or March 1, 2019 – June 30, 2019, to calculate the average payroll. • The maximum loan size is \$10 million. <p>“Payroll” includes</p> <ul style="list-style-type: none"> o Salaries, commissions, tips,

		<ul style="list-style-type: none"> ○ Employee benefits (including health insurance premiums and retirement benefits), ○ State and local taxes, ○ Compensation to sole proprietors or independent contractors. <p>“Payroll” excludes</p> <ul style="list-style-type: none"> ○ The annual salary in excess of \$100,000, ○ Foreign employees, ○ FICA and income tax withholdings.
Eligible Expenses	<ul style="list-style-type: none"> ● Payroll, ● Fixed debts (mortgage, rent, lease), ● Accounts payable, ● Other bills. 	<ul style="list-style-type: none"> ● Payroll costs, including benefits, ● Interest on mortgage obligations, incurred before February 15, 2020, ● Rent, under lease agreements in force before February 15, 2020, and ● Utilities, for which service began before February 15, 2020.
Term Duration	Up to 30 years	Up to 2 years
Interest Rate	3.75% for businesses, 2.75% for nonprofits	0.50%
Forgiveness	<p>No loan forgiveness</p> <p>Emergency EIDL grant of up to \$10,000 is forgiven. Grant must be used for the following expenses:</p> <ul style="list-style-type: none"> ○ Providing paid sick leave to employees unable to work due to the direct effect of the COVID-19, ○ Maintaining payroll to retain employees during business disruptions or substantial slowdowns, ○ Meeting increased costs to obtain materials unavailable from the applicant’s original source due to interrupted supply chains, ○ Making rent or mortgage payments, 	<p>Eligible expenses (below) within an 8-week period from February 15, 2020 – June 30, 2020:</p> <ul style="list-style-type: none"> ● Payroll costs (including everything listed above), ● Payments on mortgage interest, ● Rent, ● Utilities. <p>***Your loan forgiveness will be reduced if you decrease the number of your full-time and/or decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.</p> <p>Re-Hiring: You have until June 30, 2020, to restore your full-time employment and salary levels for any changes made between February 15, 2020, and April 26, 2020.***</p>

	o Repaying obligations that cannot be met due to revenue losses.	
Repayment	Payments deferred for 1 year	Payments (and interest) are deferred for 6 months
Collateral Requirement	No	No
Personal Guarantee	Not for loan less than \$200,000	No
Prepayment Penalties	No	No
Required Documents	<ul style="list-style-type: none"> • SBA Form 5 (Application), • Credit score, • IRS Form 4506T, • Most recent federal income tax returns for the business, • SBA Form 1143 (Personal Financial Statement), • SBA Form 2202 or a similar schedule of liabilities listing all fixed debts. 	<ul style="list-style-type: none"> • Two-page application HERE
Availability	Loans available now	April 3, 2020 , small businesses and sole proprietorships, April 10, 2020 , independent contractors and self-employed individuals

Notes: Economic Injury Disaster Loan (and EIDL grant) application [HERE](#)

Paycheck Protection Program Loan (PPPL) Borrower information [HERE](#)

Paycheck Protection Program Loan (PPPL) Application [HERE](#)