



Paycheck Protection Program

ELIGIBILITY

< 500 EMPLOYEES ...unless the covered industry's NAICS Code size standard allows more than 500.

The eligibility test is subject to aggregation with domestic and foreign affiliates, which should be considered carefully.

Affiliate is another entity that controls or has the power to control the other, or a third party that controls or has the power to control.

- Loan maturity is 2 years.
- The annual interest rate is 1.0%.
- Loan payments deferred for 6 months.
- No collateral or personal guarantees are required.



APPLICATIONS



Submit an application for a PPP loan to lenders enrolled in the 7(a) loan program.



The SBA issued a Final Interim Rule on April 2, 2020. Small business and sole proprietorships can file an application beginning on April 3, 2020. Independent contractors and self-employed individuals can file an application beginning on April 10, 2020.

The final interim rule requires self-certification of eligibility of applicant. No guarantees of collateral required.

Payroll Cost minus the amount of salaries on employees that are reduced by more than 25%.

OR

The loan forgiveness amount will not be impacted if the borrower restores the number of full time employees and salaries by June 30, 2020

LOAN FORGIVENESS



For "loans guaranteed under paragraph (36) of section 7(a) of the Small Business Act" in an amount

equal to the amount spent by the borrower during an eight week period after the date of origination of the loan on account of amounts paid by the borrowers for the following items:

- Payroll costs.
- Interest payments on any mortgage incurred prior to Feb. 15, 2020.
- Payments of rent on any lease in force prior to Feb. 15, 2020.
- Payments for any utility for which service began prior to Feb. 15, 2020.



The amount forgiven would be reduced in proportion to any reduction in employees by the following formula:

Payroll Costs multiplied by the number of Full Time Equivalent Employees in the eight week period following loan origination and divided by either:

(i) Average Number of Full Time Employees from Feb. 15, 2019 to June 30, 2019 or (ii) Average Number of Full Time Employees Jan. 1, 2020 to Feb. 29, 2020.

DETERMINING THE AMOUNT FOR THE LOAN

2.5x The size of the loan available to a business depends the size of a business's payroll.

Each loan is subject to a payroll-based cap of 2.5 times historic average monthly payroll costs (plus any EIDL granted before April 3, 2020), not to exceed \$10 million.

USES:

- Payroll support (including paid sick, medical, or family leave).
- Costs related to the continuation of group health care benefits during those periods of leave.
- Employee salaries.
- Interest owed on mortgage payments.
- Rent.
- Utilities.
- Any other debt obligations that were incurred before the covered period.

Economic Injury Disaster Loan

ELIGIBILITY

Must meet a particular size standard that corresponds to the NAICS code system. Each size standard is generally stated in terms of either receipts or employees.

APPLICATIONS

Apply online at www.sba.gov, in person or by mail. Funds come directly from the US Treasury.

Approval - Approximately 30 days.

LOAN FORGIVENESS

No loan forgiveness with EIDL.

- **Repayment** - Up to a maximum of 30 years. 4 month payment deferral.
- Maximum unsecured loan amount is \$25,000. Collateral is required for loans that exceed \$25,000.
- No guaranty if the loan amount is less than \$200,000.