

## **SMALL BUSINESS - PAYCHECK PROTECTION PROGRAM (PPP) OVERVIEW**

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**

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, veteran’s organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries. The maximum loan is 2.5 x Average total monthly payroll costs incurred during the year prior to the loan date. For businesses not operational in 2019, 2.5 x Average total monthly payroll costs incurred for January and February 2020.

### **When to Apply**

Starting April 3, 2020, small businesses and sole proprietorships can apply. Beginning 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 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 the lender or borrower. A list of participating lenders, as well as additional information and full terms, can be found at [www.sba.gov](http://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](http://www.sba.gov) or [www.coronavirus.gov](http://www.coronavirus.gov) for more information.