The Paycheck Protection Program ("PPP") authorizes up to $349 billion in forgivable loans to small businesses to support job retention and specific expenses during the COVID-19 crisis.

Who can apply?
All small businesses with less than 500 employees, eligible nonprofits, Veterans organizations and Tribal businesses described in the Small Business Act. Individuals who are self-employed, as well as independent contractors may be eligible as well. For additional eligibility criteria from the SBA, please visit the SBA's website.

What do I need to apply?
Borrowers will need to complete and submit:
• Paycheck Protection program loan application (SBA Form 2483)
• Payroll documentation, stated below
• Beneficial Ownership Form
• ACH/Wiring instructions

Do I need to submit any other documentation?
Yes. While we are still waiting for final confirmation from the SBA, we recommend that you gather:
• Payroll statement as of 2/15/2020
• 2019 year-end payroll statement
• IRS Form 941 (for year-end 2019, and for Q1 2020, if applicable)
• IRS Form 944 (for year-end 2019, and for Q1 2020, if applicable)
We’ll continue to update this additional documentation list, as we receive final confirmation from the SBA.

Do I need to first look for other funds before applying to this program?
No. These funds are specifically allocated to help small businesses during the COVID-19 crisis. Borrowers do not need to seek any other types of credit before applying for these funds.

How long will this program last?
Although the program is open until June 30, 2020, funds are being disbursed on a first-come, first-serve basis. We encourage all borrowers to apply for funds as soon as final guidance has been provided by the SBA.

How many loans can I take out under this program?
Applicants may only apply once.

What can I use these loans for?
Proceeds from these loans can be used for your:
• Payroll costs (including benefit. For additional details, visit the SBA's website.
• Mortgage interest (incurred before February 15, 2020) Please note: mortgage prepayments and principal payments are excluded
• Rent (for lease agreements in place on or before February 15, 2020)
• Utilities (servicing on or before February 15, 2020)
• Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020

Continued on next page
What counts as payroll costs?
Payroll costs include:
• Salary, wages, commissions, or cash tips (capped at $100,000 on an annualized basis for each employee); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal;
• Employee benefits (for additional details, visit the [SBA's website](https://www.sba.gov))
• State and local taxes assessed on compensation
• For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at $100,000 on an annualized basis for each employee

Do independent contractors count as employees for purposes of PPP loan calculations?
No, independent contractors have the ability to apply for a PPP loan on their own so they do not count for purposes of a borrower’s PPP loan calculation.

Does the PPP cover paid sick leave?
Yes, the PPP covers payroll costs, which include employee benefits. Employers should review the Families First Coronavirus Response Act (FFCRA) to understand which leave is covered under PPP, and which should be addressed through FFCRA provisions in Sections 7001 and 7003. Learn more about the FFCRA's Paid Sick Leave Refundable Credit [online](https://www.sba.gov/). 

How large can my loan be?
PPP funds are meant to provide up to two months of financing, based on your average monthly payroll costs from the last year plus an additional 25% of that amount (with a $10 million cap). Payroll costs will be capped at $100,000, annualized, per employee. If you are a seasonal or new business, you will use different applicable time periods for your calculation.

How do I calculate the maximum amount I can borrow?
Step 1: Aggregate payroll costs (defined in detail in [Interim Final Rule](https://www.sba.gov/)) from the last twelve months for employees whose principal place of residence is the United States.
Step 2: Subtract any compensation paid to an employee in excess of an annual salary of $100,000 and/or any amounts paid to an independent contractor or sole proprietor in excess of $100,000 per year.
Step 3: Calculate average monthly payroll costs (divide the amount from Step 2 by 12).
Step 4: Multiply the average monthly payroll costs from Step 3 by 2.5.
Step 5: Add the outstanding amount of an Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan (because it does not have to be repaid).

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 the approved costs, outlined in the PPP guidance. Additionally, you’re limited to no more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll based on:
• **Number of Staff**: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
• **Level of Payroll**: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than $100,000 annualized in 2019.
• **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.

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How can I request loan forgiveness?
You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender has 60 days to process the forgiveness documentation with SBA.

What is my interest rate?
1.00% fixed rate.

When do I need to start paying interest on my loan?
All payments are deferred for 6 months, however, interest will continue to accrue over this period.

When is my loan due?
Within 2 years.

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 for PPP loans.

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

However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.

What do I need to certify?
As part of your application, you need to certify in good faith that:

• The business was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099_MISC.
• Current economic uncertainty makes the loan necessary to support your ongoing operations.
• The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments as specified under the Paycheck Protection Program rule. If funds are knowingly used for unauthorized purposes, the federal government may hold you legally liable, such as for charges of fraud.
• During the period February 15, 2020 – December 31, 2020, you have not and will not receive another loan under the Paycheck Protection Program.
• You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
• Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities and not more than 25% of the forgiven amount may be for non-payroll costs.
• All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
• You acknowledge that the lender will calculate the eligible loan amount using the required documents you submitted. And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.