

SMALL BUSINESS PAYCHECK PROTECTION PROGRAM



U.S. Small Business
Administration

PPP OVERVIEW

What is the Payment Protection Program?

- A loan offered through participating lenders
- Find a lender at www.sba.gov/paycheckprotection/find
- Designed to provide a direct incentive for small businesses to keep their workers on their payroll

What can the funds be used for?

- Pay up to 8 weeks of payroll costs, including benefits.
- Funds can also be used to pay interest on mortgages, rent, and utilities

When can small businesses and sole proprietors apply?

- Today! Independent contractors and self-employed individuals can apply beginning April 10

PPP LOAN PROGRAM

PPP Loan Terms

- Maximum loan amount is \$10 million
- Interest rate is 1%
- First payment deferred for 6 months
- Loan maturity is 2 years
- No collateral requirements
- No personal guarantees required
- No borrower or lender fees payable to SBA
- Program available through June 30, 2020

PPP LOAN FORGIVENESS

How will the PPP Loan be forgiven?

- Fully forgiven when at least 75% of the funds are used for payroll
- Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels

Who is eligible to apply for the PPP?

- Small businesses with 500* or fewer employees
- Non-profits, veterans' organizations, and faith-based organizations
- Sole proprietorships
- Self-employed persons
- Independent contractors

PPP LOAN FORGIVENESS DETERMINATION

Borrower will owe money when loan is due if:

- Borrower uses loan amount for anything other than payroll costs, mortgage interest, rent, and utility payments over the 8 weeks after receiving the loan
- Borrower uses less than 75% of loan amount for payroll costs
- Borrower maintains staff and payroll at less than Feb. 15, 2020 levels

To qualify for loan forgiveness:

- Full-time employee headcount must be maintained
- Salaries and wages must be maintained
- Borrower has until June 30, 2020 to restore full-time employment and salary levels from any changes made between Feb. 15 and April 26

PPP LOAN PAYROLL COSTS

What counts as payroll costs?

- Salary, wages, commissions, or tips
- Employee benefits including costs for:
 - *Vacation, parental, family, medical, or sick leave*
- Allowance for separation or dismissal
- Payments required for the provision of group health care benefits including insurance premiums
- Payment of any retirement benefit

What counts as payroll costs for sole props & independent contractors?

- Wages, commissions, income, or net earnings from self-employment

Any Questions?



For more information on
SBA's emergency capital programs visit:
www.sba.gov/coronavirus