

## COVID-19 | Information on SBA's Paycheck Protection Program

The Paycheck Protection Program (PPP) was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This program can provide critical relief through partially forgivable loans for small business and nonprofits impacted by the COVID-19 pandemic. See the table below for details.

<b>Covered Period</b>	Retroactive to 2/15/2020 through 6/30/2020
<b>Eligible Business and Nonprofits</b>	<p>Small businesses, 501(c)(3) nonprofits, tribal businesses, and veterans organizations that:</p> <ul style="list-style-type: none"> <li>• Have less than 500 employees or less than the applicable size standard under SBA's NAICS regulations for their industry*</li> <li>• Are sole proprietors, self-employed, or independent contractors.</li> <li>• Were in business on February 15, 2020</li> </ul> <p><i>*Code 72 businesses (food and accommodation) are eligible if they have less than 500 employees per property.</i></p>
<b>Maximum Loan Amount</b>	<p>The lesser of:</p> <ul style="list-style-type: none"> <li>• 2.5x average monthly payroll for the 1-year period before the loan is made.</li> <li>• \$10 million.</li> </ul>
<b>Guarantees</b>	SBA guarantees 100% of the loan.
<b>Allowable Uses</b>	<p>Payroll costs (health care benefits, mortgage interest obligations, rent payments, utility payments, and interest on other debt obligations incurred prior to 2/15/20).</p> <p><i>*Current Treasury guidance requires at least 60% of the loan be used for payroll.</i></p>
<b>Eligible Lenders</b>	Current SBA approved lenders and SBA and the Department of Treasury may approve additional lenders.
<b>Maturity</b>	Current guidance suggests 5-year maturity.
<b>Interest rate</b>	Current guidance suggests 1% fixed rate.
<b>Deferral</b>	All payments deferred for six months.
<b>Loan Forgiveness</b>	<p>Recipients are eligible for forgiveness in the amount equal to the sum of the following costs* incurred during the eight-week period after the loan's origination:</p> <ul style="list-style-type: none"> <li>• Payroll costs (excluding compensation above \$100k).</li> <li>• Payment of mortgage interest or rent.</li> <li>• Utility payments.</li> </ul> <p>The amount forgiven cannot exceed the amount borrowed. Forgiveness is proportionally reduced if the average number of employees is reduced during the covered period as compared to 2019. Forgiveness is reduced by the amount of any reduction in total salary or wages during the covered period that is in excess of 25%. Borrowers that rehire laid off workers prior to June 30 will not be penalized. The canceled loan amount will not count towards gross income for tax purposes.</p>
<b>Fees</b>	Borrower, lender, and prepayment fees are waived.
<b>Borrower Requirements</b>	<ul style="list-style-type: none"> <li>• Good faith certification that the loan is necessary because of COVID-19.</li> <li>• Certification the borrower is not receiving duplicative funds from another SBA Program.</li> <li>• No collateral or personal guarantee required, credit elsewhere test waived.</li> </ul>