

# SMALL BUSINESS PAYCHECK PROTECTION PROGRAM



U.S. Small Business  
Administration

# PPP OVERVIEW

## ***What is the Paycheck Protection Program?***

- A loan offered through participating lenders
- Find a lender at [www.sba.gov/paycheckprotection/find](http://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](http://www.sba.gov/coronavirus)