PAYCHECK PROTECTION PROGRAM (PPP) LOANS
THE CARES ACT QUICK TAKES

• Covered Period - 2/15/2020-6/30/2020; Applications will be accepted starting April 3, 2020.

• Business must have been in operation on 2/15/2020, have less than 500 employees, and been affected by COVID-19. Includes small non-profits, sole proprietors, independent contractors, eligible self-employed individuals.

• Purpose of loan is to retain workers and maintain payroll, and to make mortgage, rental, and utility payments.

• Loans are for 2 years with a 0.5% interest rate.

• Amount of loan = 2.5 x average monthly payroll costs.
  • Payroll costs include, among other items: salary, wage, commission, or similar compensation; payment for vacation, parental, family, medical, or sick leave; health insurance costs.
  • A business cannot include compensation for each employee above $100,000 annually.

• Loan Forgiveness - 8 weeks after the loan is given, a business can request for all or part of the loan to be forgiven.
  • Forgiveness will be reduced if full-time employees or salary and wages decrease during the 8-week period.
  • SBA has indicated only 25% of the forgiven amount can be for non-payroll costs.

• For more information: https://bit.ly/2R7Yn4H
• To contact your local SBA office: https://www.sba.gov/local-assistance