



# 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.
- Loan Purpose: retain workers and maintain payroll, and to make mortgage interest, rental, and utility payments.
- Loans are for 2 years with a 1% 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>



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