

CARES Act – Paycheck Protection Program (PPP) *Reauthorized*

PPP Loan Program Overview

- Designed to incent small businesses to keep their workers on the payroll
- First Draw PPP Loans can be used to help fund:
 - payroll costs, including benefits
 - mortgage interest
 - rent and utilities
 - worker protection costs related to COVID-19
 - uninsured property damage costs caused by looting or vandalism during 2020
 - certain supplier costs and expenses for operations.
- SBA will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses. First Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if:
 - during the 8- to 24-week covered period following loan disbursement:
 - Employee and compensation levels are maintained
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60 percent of the proceeds are spent on payroll costs
- PPP loans have an interest rate of 1%.
- Loans issued prior to June 5, 2020 have a maturity of two years. Loans issued after June 5, 2020 have a maturity of five years.
- Loan payments will be deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period for the borrower's loan forgiveness (either 8 weeks or 24 weeks).
- No collateral or personal guarantees are required.
- Neither the government nor lenders will charge small businesses any fees

Eligible Businesses

- Sole proprietors, independent contractors, and self-employed persons
- Any small business concern that meets SBA's size standards (either the industry size standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
 - 500 employees, or
 - That meets the SBA industry size standard if more than 500
- Any business with a NAICS code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location

When and How to Apply

- You can apply for a First Draw PPP Loan until March 31, 2021
- To promote access for smaller lenders and their customers, SBA will initially only accept Second Draw PPP Loan applications from participating community financial institutions (CFIs)
- All new First Draw PPP Loans will have the same terms regardless of lender or borrower.
- To be matched with a participating PPP lender, follow this link: [SBA Lender Match](#)

Borrower Application: [PPP First Draw Borrower Application Form \(revised 2021-01-08\)](#)

NOTE: Your lender may have a different application, use this as a reference document.

How to calculate First Draw Paycheck Protection Program loan amounts and what documentation to provide - by business type: [SBA downloadable PDF file](#)

NOTE: Please download this file and read it carefully, this provides clear information on calculations and documents required.

As additional information becomes available, particularly on how to take advantage of these programs the Chamber will publish that material to its members. In the meantime, if you have any questions please do not hesitate to reach out.