

Paycheck Protection Program

On April 2, 2020, the U.S. Small Business Administration (SBA) issued an interim final rule announcing the implementation of sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act or the Act).

The Paycheck Protection Program and loan forgiveness are intended to provide economic relief to small businesses nationwide adversely impacted by the Coronavirus Disease 2019 (COVID-19).

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

Loans under the PPP will be 100 percent guaranteed by SBA, and the full principal amount of the loans may qualify for loan forgiveness.

The Paycheck Protection Program will be available through June 30, 2020.

Who can apply?

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of 1%.

If you wish to begin preparing your application, you can download a copy of the [PPP borrower application form](#) to see the information that will be requested from you when you apply with a lender.

Enhanced Debt Relief

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are currently eligible to [apply for disaster assistance](#).

The SBA will automatically pay the principal, interest and fees of all **current 7(a), 504, and microloans** for a period of six months.

The SBA will also automatically pay the principal, interest, and fees of **new 7(a), 504, and microloans** issued prior to September 27, 2020.

Economic Injury Disaster Loan Emergency Advance

In response to the Coronavirus (COVID-19) pandemic, this loan will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

Eligibility

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by COVID-19.

The Economic Injury Disaster Loan advance funds will be made available within days of a successful application, and this loan advance will not have to be repaid.

To apply for a COVID-19 Economic Injury Disaster Loan and loan advance, [click here](#).