

The Federal Government recently passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. This \$2 trillion relief package covered a number of areas, with \$350 billion specifically set aside for the Paycheck Protection Program (PPP) to help businesses like yours.

The United States Small Business Administration (“SBA”) has issued guidance, provided [forms](#) and has started to establish the process for businesses to apply for loans or relief. We want to make sure you have the information currently available so you can begin your path forward. ***Please keep in mind that these are subject to final rulemaking and eligibility requirements from the SBA.***

We continue to monitor the ongoing guidance from the SBA. Given the complexity and expected utilization of this program, there is much work the government must complete to ensure the program runs smoothly and provides timely relief. Although the anticipated start for the program is Friday, April 3, that date may be delayed. We ask that you continue to visit our website for updates on the exact timing for the opening of the application process. As soon as we have a definitive date and time, we will communicate it to you.

PAYCHECK PROTECTION PROGRAM

WHAT WE KNOW SO FAR

- To qualify, companies and nonprofits must have fewer than 500 total employees, including all affiliates, subsidiaries and companies under common ownership. Certain exceptions apply for small businesses in the food service sector, franchises and SBIC-financed businesses.
- You can apply for both an Economic Injury Disaster Loan (through the SBA) and a Payroll Protection Program Loan, but there may be no duplication in the use of funds.
- The maximum loan amount is 2.5 times your monthly payroll, up to \$10 million, with an interest rate of 0.5%.
- A portion of the loan can be forgiven. Subject to certain restrictions, the portion of the loan eligible for forgiveness can include payments made during the eight-week period following your loan funding (the 8 weeks cannot go beyond June 30, 2020) for the following: payroll and benefits, interest payments on mortgages, rent payments, health insurance, and utility payments.
- These will be unsecured loans that do not require personal guarantees.
- You may be able to defer payments up to 6 months.

CONTINUED ON NEXT PAGE

WHAT YOU CAN DO NOW

- **The SBA has started to define the application process. You can find the current form [here](#).**
 - ◇ Begin to familiarize yourself with the application now prior to the April 3, 2020 open submission date.
 - ◇ **With an anticipated start of April 3, 2020** small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses.
 - ◇ **With an anticipated start of April 10, 2020** independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses.
- Identify and compile records for those expenses that can be covered by the program.
- If you've already had to reduce your workforce due to COVID-19, determine if you would like to rehire them. They will be covered.
- Begin collecting the documentation **we know you will need**
 - ◇ 2019 payroll information including:
 - IRS Form 941 for all four quarters of your 2019 payroll
 - Health insurance premium information for 2019
 - State & Local Payroll Taxes for 2019 assessed on the compensation of employees
 - Retirement Plan contributions made in 2019
 - ◇ Current Organizational documents such as:
 - Articles of Incorporation, or Articles of Organization, or Partnership Agreement
 - Corporate Bylaws or Operating Agreement
 - Board Resolution (specific to non-profits)
 - ◇ The SBA Paycheck Protection Program Application Form
- **The SBA rules continue to evolve and we will provide updates on this site as they become available.**

Your financial security both during and after this crisis is a top priority for us. We have dedicated experts and resources from around our network to help you. We know you need answers, and we are going to do our very best to get them for you and work with you through this process quickly.

Please do not hesitate to call us if you have any questions.