

Info on and How to Apply for the \$350 Billion "Payroll Protection Program" Loans for Small and Individual Businesses

Here's a summary of the key points:

- Who's eligible: 1) small businesses, non-profits, and veteran's organizations with up to 500 employees; and 2) self-employed, independent contractors, and sole proprietorships
- Up to 2.5 times payroll and certain expenses up to 8 weeks, \$10 million per business maximum
- Quick payments anticipated, within several days after application
- Covers payroll-related expenses as it was before the crisis, retroactive to Feb. 15th, and going forward to June 30th as long as the business keeps or rehires the employees at the same rates
- Payroll-related includes health care benefits, including paid sick leave
- Payroll-related costs must be at least 75% of the loan amount
- Also covers interest on mortgages or rent and utilities
- Applies to costs incurred within Feb. 15 to June 30
- Interest rate initially 0.5%, capped at 4%
- Loan repayments deferred 6 months
- Loan can be forgiven from 8 weeks to 10 years after origination, provided employees are kept on the payroll and costs are paid for the duration of the crisis
- No collateral or personal guarantees required
- Run by banks and other financial institution lenders (over 1,800), not the SBA
- Application dates start soon: Starting April 3 for small businesses and sole proprietorships; April 10 for independent contractors and self-employed persons
- **Time to complete the application form is 8 minutes!** (per the official estimate, which looks credible to me); but longer for those in category 2) above since more documentation will be required.

See: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Here are some other key references:

Treasury's Fact Sheet (1 page): <https://home.treasury.gov/system/files/136/PPP%20--%20Overview.pdf>

U.S. Chamber of Commerce's fact sheet (4 pages), in FAQ format:

https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf

Longer explanation of the program, also in FAQ format:

<https://www.washingtonpost.com/business/2020/03/30/heres-how-get-small-business-loan-under-349-billion-coronavirus-aid-bill/>