

Overview – Paycheck Protection Program

Covered Loan Period	Retroactive to February 15, 2020, through June 30, 2020
Eligible Businesses	<ul style="list-style-type: none"> • Small businesses, nonprofits, Tribal business concerns, and veteran’s organizations that: <ul style="list-style-type: none"> ▪ Have less than 500 employees or the applicable size standard for the industry as provided by SBA, or are sole proprietors, self-employed individuals, or independent contractors ▪ Were in business on February 15, 2020
Maximum Loan Amount	<ul style="list-style-type: none"> • The lesser of: <ul style="list-style-type: none"> ▪ 2.5X average monthly payroll costs during the 1-year period* before the date on which the loan is made or \$10 million ▪ <i>*For new business, the measurement period is January 1 to February 29, 2020</i>
Guarantees	Government guarantee of 100 percent through December 31, 2020
Allowable Uses	<ul style="list-style-type: none"> • Payroll costs • Health care benefits (including paid sick or medical leave other than paid under FFCRA and insurance premiums) • Mortgage interest obligations • Rent obligations • Utility payments • Interest on other debt obligations incurred previous to February 15, 2020
Eligible Lenders	SBA and the Department of the Treasury are granted authority to determine additional lenders to administer the Payment Protection Program loans
Maturity Schedule	Maximum 10-year maturity after application for loan forgiveness
Interest Rate	Not to exceed 4 percent during the covered period
Payment Deferral	Not less than 6 months and not more than 1 year (including payment of principal, interest, and fees)
Terms of Loan Forgiveness (Sec.1106)	<ul style="list-style-type: none"> • Loan recipients will be eligible for loan forgiveness for an 8-week period after the loan’s origination date in the amount equal to the sum of the following costs incurred during that period: <ul style="list-style-type: none"> ▪ Payroll costs (compensation above \$100,000 excluded) ▪ Payment of interest on mortgage obligation ▪ Rent obligations ▪ Utility payments • The amount forgiven cannot exceed the amount borrowed. • Loan forgiveness will be proportionally reduced if the average number of employees is reduced during the covered period as compared to the same period in 2019. The amount of loan forgiveness will be reduced by the amount of any reduction in total employee salary or wages during the covered period that is in excess of 25 percent of the total salary or wages. <ul style="list-style-type: none"> ▪ Payroll documentation and documentation of expenses are required to receive forgiveness, to ensure the forgiveness was used to retain employees and pay expenses. ▪ Borrowers that rehire laid off workers by June 30 won’t be penalized for having a smaller workforce at the beginning of the period. ▪ Borrowers with tipped workers may receive loan forgiveness for the additional wages paid to those employees. • Lenders have 60 days to issue a decision on the application for forgiveness. • The canceled loan amount is excluded from gross income for tax purposes.
Waivers	<ul style="list-style-type: none"> • Borrower and lender fees are waived. • Prepayment fees are waived.
Borrower Requirements	<ul style="list-style-type: none"> • Good faith certification that the loan is necessary because of economic uncertainty caused by COVID-19 and will be applied to maintain payroll and make required payments. • Borrower must also certify that they are not receiving this assistance and duplicative funds for the same uses from another SBA program. You can use this program in addition to the FFCRA SBA program. Paycheck Protection loan will pay off Emergency Loan. • No collateral or personal guarantee are required.
Nonbinding Guidance	<ul style="list-style-type: none"> • Lenders are to prioritize small businesses, entities in underserved and rural markets, veterans and members of the military community, small business concerns owned by socially and economically disadvantaged individuals, women, and businesses in operation for less than 2 years.
Appropriated Amounts for Program	<ul style="list-style-type: none"> • \$349 billion

U.S. Small Business Share of Firms and Employment by Industry

NAICS Code	NAICS Description	Total Number of Firms	Total Number of Small Firms (<500 emp)	Small Firms as % of Total	Total Employment	Total Employment at Small Firms (<500 emp)	Small Firm Employment as of % of Total
**	Total	5,996,900	5,976,761	99.7%	128,591,812	60,556,081	47.1%
11	Agriculture, Forestry, Fishing and Hunting	22,641	22,535	99.5%	164,046	136,591	83.3%
21	Mining, Quarrying, and Oil and Gas Extraction	19,080	18,720	98.1%	578,098	244,367	42.3%
22	Utilities	5,957	5,752	96.6%	644,703	111,747	17.3%
23	Construction	701,477	700,393	99.8%	6,533,061	5,373,702	82.3%
31-33	Manufacturing	248,039	244,098	98.4%	11,721,785	5,039,772	43.0%
42	Wholesale Trade	298,127	294,909	98.9%	6,115,476	3,413,157	55.8%
44-45	Retail Trade	647,927	645,685	99.7%	15,705,808	5,526,296	35.2%
48-49	Transportation and Warehousing	185,028	182,688	98.7%	4,866,282	1,685,388	34.6%
51	Information	79,662	78,430	98.5%	3,507,966	984,379	28.1%
52	Finance and Insurance	238,408	236,657	99.3%	6,408,168	1,909,993	29.8%
53	Real Estate and Rental and Leasing	309,369	308,106	99.6%	2,178,006	1,451,546	67.6%
54	Professional, Scientific, and Technical Services	811,320	807,932	99.6%	8,905,549	5,190,980	58.3%
55	Management of Companies and Enterprises	26,956	19,134	71.0%	3,462,498	423,295	12.2%
56	Administrative & Support and Waste Management & Remediation	347,829	343,791	98.8%	11,897,056	3,754,463	31.6%
61	Educational Services	93,500	92,148	98.6%	3,688,541	1,645,962	44.6%
62	Health Care and Social Assistance	655,069	650,689	99.3%	20,241,438	8,984,159	44.4%
71	Arts, Entertainment, and Recreation	130,107	129,287	99.4%	2,368,928	1,428,531	60.3%
72	Accommodation and Food Services	539,886	537,443	99.5%	14,088,211	8,542,661	60.6%
81	Other Services (except Public Administration)	696,668	695,268	99.8%	5,534,978	4,697,878	84.9%

Source: Census Bureau's Statistics of U.S. Businesses 2017