

US Treasury Information About Low Cost SBA Loans

The US Treasury has set up a very helpful website which talks specifically about the Paycheck Protection Program (“PPP”) which is an SBA loan program available to small businesses. The program is designed to help businesses help pay their employees and other certain expenses during the COVID-19 health crisis.

- The address of the website is: <https://home.treasury.gov/cares>

The specific part of the website for the PPP loan program is entitled: **Assistance for Small Businesses**

We encourage small businesses to look at the pdf files available in this section of the website, especially:

- **Fact Sheet for Borrowers** <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>
- **PPP Loan Application** <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

Key Points to Keep in Mind (highlights from the Fact Sheet for Borrowers):

Where can I apply?

You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.

You should consult with your local SBA lender as to whether they are participating. Visit www.sba.gov for a list of SBA lenders.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans (through an SBA lender) to cover their payroll and other certain expenses.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans (through an SBA lender) to cover their payroll and other certain expenses.

When do I need to apply?

You will need to complete the Paycheck Protection Program loan application and submit the application with other required documentation to an approved SBA lender to process your application by June 30, 2020

What documents will I need to include in my application?

You will need to provide your lender with payroll documentation (per the US Treasury). Additional documentation will likely be required by your lender. Please check with your SBA lender for specific requirements.

Based on our discussions with local lenders, a lender may ask for the following items as part of the PPP loan application:

- Articles of Incorporation/Organization.
- Bylaws/Operating Agreements, if any
- Copies of all owners' Driver's Licenses.
- Payroll Expense Verification documents to include:
 - IRS Form 940 and 941.
 - Payroll Summary Report with corresponding bank statement.
 - If a Payroll Summary Report is not available, then:
 - Employee Pay Stubs as of February 15, 2020 (or corresponding period) with corresponding bank statement, AND,
 - Breakdown of payroll benefits (vacation, allowance for dismissal, group healthcare benefits, retirement benefits, etc.)
- 1099s (for independent contractors) – if these payments will be used as a basis for getting the loan
- Profit and Loss Statement

What can I use these loan proceeds for?

You should use the proceeds from these loans for your:

- Payroll costs, including benefits
- Interest on mortgage obligations, for funds borrowed prior to February 15, 2020
- Rent, under lease agreements in force before February 15, 2020, and
- Utilities, for which service began before February 15, 2020.

Please see the Fact Sheet for Borrowers for more information.