**C.A.R.E.S ACT: Paycheck Protection Program Loan (PPP)**

The CARES Act establishes a new $349 billion Paycheck Protection Program. The Program will provide much-needed relief to millions of small businesses so they can sustain their businesses and keep their workers employed.

Program Details:

* Offered to small businesses with fewer than 500 employees, select types of business with fewer than 1,500 employees, 501(c)(3) nonprofits with fewer than 500 workers and some 501(C)(19) veteran organizations.
  + Self-employed, sole proprietors, freelance and gig economy workers are eligible.
  + Must be in operation before February 15, 2020.
* Loans are given up to a maximum of the lesser of $10 million, or 2.5 times the average monthly payroll costs – including wages for employees making under $100,000, as well as expenses for paid sick leave, healthcare and other benefits - during the 1-year period before the date on which the loan was made.
  + Businesses with multiple locations can apply per location.
* The maximum interest rate under this program is 0.5%.
* The loan term is up to 2 years.
* No personal guarantee or collateral is required for the loan.
* Payments will be deferred six months and up to 12 months.
* A business can apply for both the PPP and the SBA Disaster Loan.
  + SBA Disaster Loan can be refinanced with the PPP.
* No fees.
* 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 (at least 75% of the forgiven amount must have been used for payroll).
  + Application to apply for forgiveness available April 30th.
  + To calculate how much you should borrow and how much of the loan will be forgiven, click [here](https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf) to view a step-by-step guide created by the US Chamber of Commerce. [pdf]

How To Apply:

* You must apply through an existing SBA 7(a) lender. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. **Consult with your local lender as to whether it is participating in the program.**
* Lenders may begin processing loan applications as soon as **April 3, 2020**.
* If you wish to begin preparing your application, you can [download a sample form](https://www.sba.gov/sites/default/files/2020-03/Borrower%20Paycheck%20Protection%20Program%20Application_0.pdf) to see the information that will be requested from you.

For more information, go to: <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>