

Updated 6/11/2020

NCAPA COVID-19 Resource: Paycheck Protection Program (PPP)



UPDATE: On June 5, updates to the Paycheck Protection Program (PPP) were made by Congress and signed into law. **Updates are highlighted.**[1] The Paycheck Protection Program (PPP) received an additional \$310 billion in funding. Small businesses can apply for loans, which will be forgiven if used to retain staff, including for payroll, paid leave, health care, and to maintain the operations of the business such as rent, mortgage interest, and utilities.[2]

LOAN INFORMATION:

- Loan is intended to cover expenses incurred from February 15, 2020 to **December 31, 2020.** The **rehiring deadline has been extended to December 31, 2020**
- Loan for up to 2.5 times your monthly average payroll costs based on 2019 (up to \$10 million), whichever is smaller.
- Loan is forgivable if you use at least **60%** of funds used on payroll within **24 weeks.** **Thus, the use of loans for non-payroll expenses increased from 25% to 40%.**
- Otherwise, loan will have a 1% interest rate.
- Loan repayments begin 6 months after the loan is approved and must be repaid within **5 years.**[3]
- **Businesses that take PPP loans now have access to payroll tax deferment.**

ELIGIBILITY [4]:

- Small businesses with 500 or fewer employees—including nonprofits (501(c)(3) organizations only), veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors.
- Businesses with more than 500 employees are eligible in certain industries.

NEXT STEPS:

- Submit a PPP borrower application to an approved SBA lender.
- Make sure to submit as quickly as possible, as there is a limited amount of funding for this program.
 - [Find an approved lender here](#)
- [Borrower application form](#)
- **BE AWARE OF SCAMS!** Consult with your local lender as to whether it is participating. All loans will have the same terms regardless of lender or borrower.[5]



**COVID-19
TASKFORCE**



**NATIONAL
CAPACD**

Source:

1. <https://www.forbes.com/sites/allbusiness/2020/06/05/trump-signs-new-law-relaxing-ppp-rules-what-you-need-to-know/>
2. <https://www.searac.org/covid-19-resources/covid-19-federal-stimulus-bill-faqs/#payments>
3. <https://sites.google.com/view/covidresources-hmong/english?authuser=0#h.yvntj46keume>
4. <https://home.treasury.gov/system/files/136/PPP%20-%20Overview.pdf>
5. <https://home.treasury.gov/system/files/136/PPP%20-%20Overview.pdf>