

Paycheck Protection Program under CARES Act

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) \$349 billion was appropriated to establish the Paycheck Protection Program. The program provides loans for small businesses (fewer than 500 employees). Loans can be taken to cover qualified payroll costs, rent, utilities, and interest on mortgage and other debt obligations.

To obtain a loan, a qualifying small business should submit an application through a Small Business Administration (SBA) and U.S. Department of Treasury approved bank, credit union, or nonbank lender. For a list of current SBA lenders please visit the [SBA website](#).

If you qualify, eligible loans will be fully forgiven for up to 8 weeks of payroll costs and rent payments, utility payments, or mortgage interest payments, including interest accruing during the forgiveness period. For information on how to qualify for loan forgiveness please refer to the information sheet prepared by the Department of Treasury: [FAQ on Paycheck Protection Program](#).

Timeline:

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.

The following is guidance from the Department of Treasury on Treasury about the program:

- All loans will have a maturity of 2 years and an interest rate of 0.5%. Terms will be the same for all borrowers
- The SBA expects high subscription, 75% of the amount forgiven must be used to cover payroll costs. Only 25% of the forgiveness amount may be used for rent, utilities, and interest on mortgage

Link to application: [Paycheck Protection Program Application](#)