

PAYCHECK PROTECTION PROGRAM (PPP)

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The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

PROGRAM OVERVIEW:

- Up to \$349 billion in forgivable loans to small businesses to pay their employees
- Loan terms are the same for EVERYONE
- Loan payments will be deferred for 6 months
- Loan has a maturity of 2 years and an interest rate of 0.5%
- No collateral or personal guarantee required
- You can apply as early as **Friday, April 3, 2020** for small businesses with 500 or fewer employees
- Payroll costs are capped at \$100,000 on an annualized basis for each employee
- Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount
- SBA will forgive loans if all employees are kept on the payroll for 8 weeks and the money is used for payroll, rent, mortgage interest, or utilities
- Application must be processed by June 30, 2020, but apply as quickly as possible; there is a funding cap
- Can only apply for PPP loan once

WHERE TO APPLY: *We recommend speaking to your banker FIRST.*

- Any existing SBA lender (visit www.sba.gov)
- Federally insured depository institution
- Federally insured credit union
- Farm Credit System institution
- Consult with your local lender to see if they are participating

HOW TO APPLY:

- Provide your lender with payroll documentation; and
- Complete the Paycheck Protection Program Application Form

HOW MUCH OF MY LOAN WILL BE FORGIVEN?:

- Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount
- Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019
- Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020
- To request loan forgiveness, submit a request to the lender that is servicing the loan.

OTHER ASSISTANCE:

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are currently eligible to [apply for disaster assistance](#).
- [Enhanced Debt Relief](#) is also available in SBA's other business loan programs to help small businesses overcome the challenges created by this health crisis.
- For information on additional Lending options, please [click here](#).
- SBA provides local assistance via 68 district offices and a nationwide network of resource partners. To find resources near you, please [click here](#).

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