

# What you need to know about the **Paycheck Protection Program**



**The Paycheck Protection Program provides 100% federally guaranteed loans to small businesses.**

**Could your business use a hand? Here's how the program works:**

## **Who is eligible for the loan?**

- A small business with fewer than 500 employees
- A 501(c)(3) with fewer than 500 employees
- An individual who operates as a sole proprietor
- An individual who operates as an independent contractor
- An individual who is self-employed who regularly carries on any trade or business

## **I am an independent contractor or gig economy worker, am I eligible?**

Yes. Sole proprietors, independent contractors, gig economy workers, and self-employed individuals are all eligible for the Paycheck Protection Program.

## **Where can I apply for the Paycheck Protection Program?**

You can apply for the Paycheck Protection Program at any lending institution that is approved to participate in the program through the existing U.S. Small Business Administration lending program and additional lenders approved by the Department of Treasury. [Click here to start your application.](#)

## **What do I need to apply?**

You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application.

## **How can I ensure that the loan will be forgiven?**

The amount of principal that may be forgiven is equal to the sum of expenses for payroll, and existing interest payments on mortgages, rent payments, leases, and utility service agreements. Payroll costs include employee salaries (up to an annual rate of pay of \$100,000), hourly wages and cash tips, paid sick or medical leave, and group health insurance premiums. If you would like to use the Paycheck Protection Program for other business-related expenses, like inventory, you can, but that portion of the loan will not be forgiven.

## **Am I responsible for interest on the forgiven loan amount?**

No, if the full principal of the PPP loan is forgiven, the borrower is not responsible for the interest accrued in the 8-week covered period. The remainder of the loan that is not forgiven will operate according to the loan terms agreed upon by you and the lender.

## **What are the interest rates and terms for the loan amount that is not forgiven?**

1.00% fixed rate. All payments are deferred for 6 months; however, interest will continue to accrue over this period.

## **When is the application deadline for the Paycheck Protection Program?**

Applicants are eligible to apply for the PPP loan until June 30th, 2020.