

PAYCHECK PROTECTION PROGRAM OVERVIEW

(First-Time Borrowers)

The April 2020 CARES Act included a new SBA loan program for small businesses impacted by the COVID-19 pandemic: the Paycheck Protection Program (PPP). Businesses can apply for PPP directly through [SBA lenders, which can be found here](#).



PPP Loan Details

Loan amounts are up to 2.5x the average monthly payroll costs of a business in 2019, capping individual salaries at \$100,000 with a maximum of \$10 million. Loans must be used within the 8- or 24-week “covered period” following disbursement.

✓ ELIGIBLE BUSINESSES INCLUDE:

- ▶ Businesses with fewer than 500 employees;
- ▶ Sole proprietorships;
- ▶ Independent contractors;
- ▶ Self-employed individuals;
- ▶ Certain 501(c)(6) organizations.

👤 AUTHORIZED USES INCLUDE:

- ▶ Payroll costs (including benefits);
- ▶ Rent/mortgage interest;
- ▶ Utilities;
- ▶ Personal protective equipment (PPE);
- ▶ Uninsured property damage costs from looting or vandalism in 2020.

💰 BORROWERS ARE ELIGIBLE TO HAVE THEIR LOANS ALL OR PARTIALLY FORGIVEN IF THEY MEET THE PROGRAM REQUIREMENTS

- ▶ Employee numbers are maintained;
- ▶ Employee compensation is maintained at 75% or more;
- ▶ Loan proceeds are spent on eligible expenses;
- ▶ At least 60% of the proceeds go toward payroll costs.



More resources:

[PPP First-Draw Application Form](#)

[SBA PPP Guide](#)

[NAR Coronavirus: Small Business Relief FAQs](#)

