



## Information for Financial Help From The New “CARES ACT”

The Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act” is designed to aid businesses to cover certain operating expenses during the EIDL-19 social isolation period and loss of income. It contains two main programs:

**1. The Economic Injury Disaster Loan (EIDL) is designed to be a quick loan for immediate relief of financial distress. It is an online application form that provides up to \$10,000 based on your answers to questions.**

- This advance “provides economic relief to businesses that are currently experiencing a temporary loss of revenue.”
- This loan advance will not have to be repaid.
- SBA says that it takes about two (2) hours to complete the online form. The application is on the SBA website at: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>
- At completion you are given an electronic confirmation number.
- They say that the aid will be provided within three business days.
- However, at this time it is taking longer. An application for another small non-profit in need was submitted 7 days ago and nothing is disbursed at this writing.

**2. The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. All loan terms are the same for everyone.**

- Administered through the SBA
- Starts out as a loan, but will be forgiven (becomes a grant) if employees are retained and the loan proceeds are used to cover:
  - Payroll costs, including benefits [capped at \$100K annually per employee]
  - Lease rent or mortgage interest (established before 2/15/2020)
  - Utility costs over the eight-week period after the loan is made (only accts established prior to 2/15/20)
  - Max of 25% of the forgiven amount maybe for non-payroll cost
  - If a portion of the loan amount is not forgiven, loan payments deferred six mos.

**WHAT DOES IT PROVIDE:**

**2.5 times your average gross payroll (verified) mortgage interest, utilities. Ex: Avg monthly gross costs \$20,000 x 2.5 = \$50,000 loan/grant to sustain your staff and overhead.**

#### WHEN IT STARTS:

It started on Friday April 3<sup>rd</sup>.

The gov. is expecting millions of businesses to apply. The sooner you are working with a lender the sooner you can receive funding.

#### WHO CAN APPLY:

**All businesses with 500 or fewer employees – including corps, LLCs, nonprofits, sole proprietorships, self-employed individuals, and independent contractors, veterans' organizations, and Tribal business concerns.**

#### WHERE TO APPLY:

- **Through any federally insured depository (bank), federally insured credit union, Farm Credit System institution, and existing SBA lender.**
- Banks are not required to participate, so ask your bank.
- Best place to start is with your organization's own bank where you are known. Ask if it is participating.
  - No bank you prefer? Go to [www.sba.gov](http://www.sba.gov) for a list of SBA lenders.

#### HOW TO APPLY:

- See attached blank application form
  - **Two-pages, easy to use**
  - **Form requires an average gross payroll (excluding payroll taxes) that you commit to and can verify with payroll statements or filings.**
- Accompanying the application form:
  - Payroll records or payroll tax filings for past 12 months (or 2019); and
  - Payroll statement/information on or around 2/15/2020 or assembled payroll documentation for 2020 thus far.
  - Documentation to establish eligibility, including for example payroll processor records, payroll tax filings, Form 1099-MISC, or income and expenses from a sole proprietorship.
  - Use average monthly payroll for 2019 (excluding costs over \$100,000 on an annualized basis for each employee). For seasonal businesses, you may elect to use avg monthly payroll for the time period of February 15, 2019 to June 30, 2019.
  - New businesses will calculate from January 2, 2020 to February 29, 2020.

#### DO YOU NEED TO LOOK FOR OTHER FUNDS BEFORE APPLYING TO PPP:

**No. This program is intended to be relief during crisis. The usual SBA *Credit Elsewhere* requirement is waived.**

#### WHAT COUNTS AS PAYROLL COSTS:

- Salary, wages, commissions, or tips (capped at the \$100,000 above)
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit

- State and local taxes assessed on compensation
- For a sole proprietor or independent contractor, wages, commissions, income, or net earnings from self-employment. (subject to the \$100K cap)

#### *HOW MUCH OF THE LOAN IS FORGIVEN:*

- All money spent on the allowed costs during the eight weeks after getting the loan will be forgiven assuming you maintain your staff and payroll.
- You will owe money if you do not maintain your staff and payroll.
- You will owe back money spent on other than payroll costs, mortgage interest, rent, and utilities over the eight (8) weeks after getting the loan.
- Loan forgiveness will be reduced if you decrease full-time employee headcount.
- Loan forgiveness can also be reduced if you decrease salaries and wages by more than 25%.
- Not more than 25% of the forgiven amount may be for non-payroll costs.
- If you do furloughs or layoffs, you have until June 30, 2020, to restore full-time employment and salary levels for any changes made between 2/15/20 and 4/26/20.

#### *HOW LARGE CAN THE LOAN BE:*

- Up to \$10MM
- There is no collateral required

#### *HOW TO RECEIVE LOAN FORGIVENESS:*

**Submit a request to your lender for forgiveness along with documentation of the expenses paid with the money received.** Has to be payroll records, etc. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible payments.

Lender is required to make a decision on forgiveness within 60 days.

Payments on remaining loan is deferred for six months.

#### *WHAT ARE THE TERM AND THE RATE ON A REMAINING LOAN:*

- **Two years**
- **1.0%**
- No prepayment penalties
- No collateral
- No personal guarantees



## Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407  
Expiration Date: 09/30/2020

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>Check One:</b> <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC<br><input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual<br><input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization<br><input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other | <b>DBA or Tradename if Applicable</b> |
| <b>Business Legal Name</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |
| <b>Business Address</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |
| <b>Business TIN (EIN, SSN)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Business Phone</b>                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (   )   -                             |
| <b>Primary Contact</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Email Address</b>                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |

|                                                                                                                                                                        |    |                                                                      |    |                      |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------|----|----------------------|--|
| Average Monthly Payroll:                                                                                                                                               | \$ | x 2.5 + EIDL, Net of Advance (if Applicable)<br>Equals Loan Request: | \$ | Number of Employees: |  |
| Purpose of the loan (select more than one):                                                                                                                            |    |                                                                      |    |                      |  |
| <input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____ |    |                                                                      |    |                      |  |

### Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

| Owner Name | Title | Ownership % | TIN (EIN, SSN) | Address |
|------------|-------|-------------|----------------|---------|
|            |       |             |                |         |
|            |       |             |                |         |

*If questions (1) or (2) below are answered "Yes," the loan will not be approved.*

| Question                                                                                                                                                                                                                                                                                    | Yes                      | No                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?                     | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.                                          | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.                                                                                                        | <input type="checkbox"/> | <input type="checkbox"/> |

*If questions (5) or (6) are answered "Yes," the loan will not be approved.*

| Question                                                                                                                                                                                                                                                                                                                                                                                 | Yes                      | No                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole?<br><b>Initial here to confirm your response to question 5 →</b> _____     | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?<br><b>Initial here to confirm your response to question 6 →</b> _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?                                                                                                                                                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?                                                                                                                                                                                                                                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> |



# Paycheck Protection Program Borrower Application Form

## By Signing Below, You Make the Following Representations, Authorizations, and Certifications

### CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

### CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

\_\_\_\_\_ The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

\_\_\_\_\_ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

\_\_\_\_\_ The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

\_\_\_\_\_ The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

\_\_\_\_\_ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

\_\_\_\_\_ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

\_\_\_\_\_ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

\_\_\_\_\_ I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

\_\_\_\_\_  
Signature of Authorized Representative of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title



## Paycheck Protection Program Borrower Application Form

### **Purpose of this form:**

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

### **Instructions for completing this form:**

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

**Paperwork Reduction Act** – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

**Privacy Act (5 U.S.C. 552a)** – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

**Disclosure of Information** – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

**Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)** – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



## Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

**Freedom of Information Act (5 U.S.C. 552)** – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

**Occupational Safety and Health Act (15 U.S.C. 651 et seq.)** – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

**Civil Rights (13 C.F.R. 112, 113, 117)** – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

**Equal Credit Opportunity Act (15 U.S.C. 1691)** – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

**Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700)** – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.