

WHAT YOU NEED TO KNOW ABOUT THE PAYCHECK PROTECTION PROGRAM



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SBA Provides Paycheck Protection Program Updates

As of late in the evening on April 2, 2020, **significant changes occurred to the Paycheck Protection Program (PPP)**. The U.S. Treasury provides [this page](#) that will be updated with the latest program information. It is crucial that you **start with your banker and CPA** in moving through this constantly evolving process—there will be changes along the way, and it's important to have your financial team help you navigate. We will continue reporting any new findings that may impact you and your business.

The Paycheck Protection Program (PPP) is an important aspect of the CARES Act that offers relief for small businesses financially impacted by the COVID-19

pandemic. The program has allocated **\$349 billion of federally guaranteed loans**, and qualified small businesses can receive **up to \$10 million**. These loans are administered through the SBA 7(a) loan program and eligible for loan forgiveness.

Applying for and Repaying the Paycheck Protection Program

Lenders can start processing loans on **April 3, 2020 and the Paycheck Protection Program will be available through June 30, 2020**. We recommend that you contact your lender and work with them to apply as soon as possible.

As of today, here are important details regarding the loans:

- Loans will be due in **2 years**
- **Interest rate is 1%**
- The first loan payment can be **deferred for 6 months** although interest will still accrue during the deferment period
- **No collateral or personal guarantees are required**
- **Neither the government nor lenders will charge small businesses any fees**

Who's Eligible for PPP?

In order to be eligible to apply for the PPP loan, you must meet the following requirements:

- A small business with **less than 500 employees** (including employees who are full-time, part-time, or have any other status)
- A small business that otherwise **meets the SBA's size standard**
- A **501(c)(3) with fewer than 500 employees**
- An individual who operates as a **sole proprietor or an independent contractor**
- An eligible **self-employed individual who regularly carries on any trade or business**
- **Veterans Organizations and Tribal business concerns** that meet the SBA size standard

There are other important parts of this program to consider before submitting your application:

- [Calculating your loan amount](#)
- [Loan forgiveness](#)
- [Documents needed](#)

Read more about the details of the PPP and how this can directly impact your business [here](#).

Our advisors are closely following COVID-19 relief efforts and will continue to publish insights to keep you informed about potential business impacts and benefits. Visit our [COVID-19 Resource Center](#) for more news, tools and insights you need to know in these uncertain times.

Please keep in mind that due to the quickly-changing nature of the COVID-19 pandemic, you should always discuss changes with your Anders advisor, banker or legal counsel.

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