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