

# CARES Act: Paycheck Protection Program

## Am I Eligible?

- **500 or less employees** (including full-time and part-time) OR
- Businesses in certain industries with more than 500 employees may qualify (click [here](#) for additional detail); and
- Must have been in operation as of February 15, 2020

\*Other limited exceptions and expansion apply

## What Amounts May Be Forgiven?

- **Amounts used to pay payroll costs for the eight week period**, beginning when loan is received (must be between February 15, 2020-June 30, 2020)
- Amounts used to pay non-payroll related expenses are not forgivable
- Loan forgiveness will not be treated as income
- Eligible loan forgiveness **will be reduced** (i) if you decrease your full-time employee headcount, or (ii) if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019. You have until June 30, 2020 to restore your full-time employee and salary level.

## What Are the Loan Terms?

- No collateral or personal guarantees
- No SBA loan fees; no prepayment penalty
- 0.5% fixed interest rate; interest continues to accrue during loan period but payment is deferred for 6 months
- Loan is due in 2 years

## How Much Can I Borrow?

Lesser of:

- 2.5x average monthly payroll cost incurred in the one-year period before the loan is made
- \$10,000,000

\*Payroll cost is broadly defined and specifically includes benefits costs and amounts paid to independent contractors

\*Maximum per employee annual payroll cost is \$100,000

## What Can I Do with the Money?

- Payroll cost
- Interest on mortgage obligations
- Rent
- Utilities

## What Do I Do Next?

- Starting April 3, 2020, small businesses and sole proprietorships can apply
- Starting April 10, 2020, independent contractors and self-employed individuals can apply
- Businesses are encouraged to apply **as quickly as possible** because there is a funding cap and lenders need time to process the loan
- Click [here](#) for a fact sheet provided by Department of Treasury
- For a complete list of information that may be necessary, **contact H&H**