

Paycheck Protection Program (PPP)

An SBA loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis.

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Program Overview

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

The Paycheck Protection Program will be available through June 30, 2020.

Who Can Apply

This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.

Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.

Small businesses in the hospitality and food industry with more than one location could also be eligible at the store and location level if the store employs less than 500 workers. This means each store location could be eligible.

How to Apply

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

Lenders may begin processing loan applications as soon as April 3, 2020.

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of .5%.

If you wish to begin preparing your application, you can [download a sample form](#) to see the information that will be requested from you.

Other Assistance

In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are currently eligible to [apply for disaster assistance](#).

[Enhanced Debt Relief](#) is also available in SBA's other business loan programs to help small businesses overcome the challenges created by this health crisis.

For information on additional Lending options, please [click here](#).

SBA provides local assistance via 68 district offices and a nationwide network of resource partners. To find resources near you, please [click here](#).