Small Business Loan Resources

**UPDATE (5/18/20):** The Small Business Administration (SBA) released a standardized [Payment Protection Program loan forgiveness application](https://www.sba.gov/disasterassistance/loans-grants). The SBA has indicated that it is still planning to release additional guidance in the coming weeks; however, the form and instructions include several measures to reduce compliance burdens and simplify the process for borrowers, including:

- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with borrowers’ regular payroll cycles
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving their PPP loan
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined

Additionally, the Treasury Department updated their FAQ document to include information on how it intends to review the good faith certifications provided in PPP loan applications. The updated FAQ indicates that borrowers who received PPP loans with an original principal amount of less than $2 million will be deemed to have made the required certification concerning the necessity of the loan request in good faith.

**UPDATE (4/24/20):** Congress passed the Paycheck Protection Program and Health Care Enhancement Act that adds $310 billion in funding for the SBA Paycheck Protection Program (PPP). The PPP received an overwhelming amount of applications when the program began accepting applications on April 3 and quickly reached its original lending limit on April 16. The PPP received an overwhelming amount of applications when the program first began accepting applications on April 3rd and quickly reached its original lending limit on April 16th. The bill supplements the $2 Trillion legislative package (CARES Act) that included provisions to allocate approximately $350B for federally-backed loans to support U.S. companies with less than 500 employees.

After the first round of lending concluded, the construction industry successfully secured the greatest proportion of SBA PPP loans, compared to other industries. The construction sector received a total of 177,905 approved applications worth approximately $44B. Click [here](https://www.sba.gov/) to see how the SBA loan program has disbursed funds to date.

**Step-by-Step Guidance**

**UPDATE (4/24/20):** if you have not yet received approval for a PPP loan, you will need to re-apply once the SBA begins receiving new applications. The SBA was unable to maintain a queue for previously submitted PPP applications. You are encouraged to apply for a loan through your local lending institution; more details on eligible lenders can be found [here](https://www.sba.gov/). The SBA, in partnership with U.S. Treasury Department, has...
issued details and a loan application form (PDF) to apply for PPP loans. The SBA is expecting to reopen its processing system soon that will allow lenders to receive applications for approval.

The U.S. Chamber of Commerce has created a thorough walkthrough to help U.S. businesses determine if they are eligible to receive a small business loan, linked here. Importantly, this step-by-step guidance provides:

1) Who is eligible for these loans;
2) What lenders will be looking for in the application process;
3) How much companies are allowed to borrow; and
4) How to seek loan forgiveness.

Additional FAQs With Further Guidance From Treasury Department

Q. Where can I apply for the Paycheck Protection Program?
A. You can apply through any existing SBA 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. Visit www.sba.gov for a list of SBA lenders.

Q. What do I need to apply?
A. You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Loan form linked above.

Q. What other documents will I need to include in my application?
A. You will need to provide your lender with payroll documentation.

Q. Do I need to first look for other funds before applying to this program?
A. No. Treasury is waiving the usual SBA requirement that you try to obtain some or all of the loan funds from other sources (i.e., we are waiving the Credit Elsewhere requirement)

Q. When do I need to start paying interest on my loan?
A. All payments are deferred for 6 months; however, interest will continue to accrue over this period.

Q. When is my loan due?
A. In 2 years. There are no prepayment penalties or fees if you pay off your loan earlier than 2 years.

Q. Do I need to pledge any collateral for these loans?
A. No. No collateral is required.

Q. Do I need to personally guarantee this loan?
A. No. There is no personal guarantee requirement. ***However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you.***
Q. What do I need to certify?
A. As part of your application, you need to certify in good faith that:

- Current economic uncertainty makes the loan necessary to support your ongoing operations.
- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- You have not and will not receive another loan under this program.
- You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
- You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the 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.

Companies still interested in applying for the disaster relief loans (EIDL) can find further resources here; however, SBA guidance is directing potential new applicants to the PPP loan portal. Additionally, we included some frequently asked questions and answers below to address some of the top concerns small business owners have raised as they navigate the options available to them through the SBA loan programs. For real time updates from the Chamber of Commerce, including additional information on which lenders are participating in the program, please click here. If your small business contractor clients need real time help with a representative of the SBA, please click here to find the closest SBA district office.