

Paycheck Protection Program

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Introduction

- On March 27, 2020, President Trump signed H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) into law
- \$349 billion dollars for the Paycheck Protection Program (“PPP”)
 - Expands the Small Business Administration’s (“SBA”) 7(a) small business loan program by offering loans to help small businesses pay for costs such as payroll, rent, health benefits, and utilities

Paycheck Protection Program

- **Small business loan to keep workforce employed during the COVID-19 pandemic**
 - April 3, 2020: Small businesses can apply
 - April 10, 2020: Sole proprietors and independent contractors can apply
 - Must apply for the loan by June 30, 2020
- **Portion of the loan used for certain purposes in the eight-week period after receiving the loans are forgiven**

Who is eligible?

- **Small Businesses**
 - Less than 500 employees **or**
 - Defined as a small business by the SBA based on the number of employees and the industry in which the business operates
- **Individuals who operate under a sole proprietorship or as an independent contractor, and certain self-employed individuals are eligible but must submit documentation establishing their eligibility, including payroll tax filings reported to the IRS, Forms 1099–MISC, and income and expenses from the sole proprietorship**

Size Exceptions

- Accommodation and food services businesses are eligible to receive a single loan if they have less than 500 employees per physical location
 - Example: The owner of multiple hotels or restaurants that employ more than 500 persons in the aggregate can apply provided that no single location has more than 500 persons.
- Affiliate rules do not apply to accommodation and food services businesses, businesses with SBA franchise or identifier codes, and businesses receiving financial assistance from a small business investment company

Affiliate Rules

- Generally, if Business A has the ability to control Business B, then Business B is an affiliate of Business A and their employees must be counted together
- Affiliation Tests under the Paycheck Protection Program:
 - Affiliation based on ownership or the power to control more than 50 percent of the concern's voting equity.
 - Affiliation arising under stock options, convertible securities, and agreements to merge
 - Affiliation based on common management, such as common officers or and directors who control the control concerns
 - Affiliation based on identity of interest between close relatives with substantially identical business interests
- Affiliation can also be based on “negative control,” where a minority interest holder has the ability to prevent a quorum or otherwise block action by the board of directors or shareholders
 - This can be avoided if the minority interest holder permanently gives up this ability

Ineligible Businesses

- **Businesses ineligible under 13 CFR 120.110 (except for non-profits)**
- **May also be ineligible if any of the following are true:**
 - Applicant is engaged in activity that is illegal under federal, state, or local law
 - Applicant is a household employer
 - An owner of 20 percent or more of the equity of the applicant is incarcerated, on probation, on parole; presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; or has been convicted of a felony within the last five years
 - Applicant, or any business owned or controlled by applicant or any of the applicant's owners, has ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted within the last seven years and caused a loss to the government

Loan Amount

- The maximum loan amount is the lesser of \$10 million; or (whichever of the following is applicable):
 - *For non-seasonal employers: 2.5 times the business' average total monthly payroll costs for the one-year period before the loan is made or for Fiscal Year 2019.*
 - *For seasonal employers: the average monthly payroll costs for a 12 week period beginning February 15, 2019, or at the employer's election, March 1, 2019, and ending June 30, 2019.*
 - *For seasonal or non-seasonal businesses that did not exist during the period from February 15, 2019 to June 30, 2019: 2.5 times the business' average total monthly payroll payments made from January 1, 2020 to February 29, 2020.*

Payroll Costs

- **Payroll costs include:**
 - Salaries, wages, commission, or similar compensation;
 - Payment of cash tips
 - Payment for vacation, parental, family, medical, or sick leave
 - Dismissal or separation payments
 - Group healthcare benefits, including insurance premiums;
 - Retirement benefits
 - State or local tax on employee compensation

Payroll Costs

- Payroll costs **do not** include:
 - Compensation for an individual employee in excess of an annual salary of \$100,000, as prorated for February 15, 2020 to June 30, 2020
 - This applies only to cash compensation, not to non-cash benefits
 - Taxes imposed or withheld for FICA, the Railroad Retirement Tax Act, and income tax withholding
 - Payroll costs are calculated on a gross basis, without subtracting federal taxes imposed on the employee or withheld from employee wages
 - Any compensation for a non-United States based employee
 - Sick and family leave wages for which credit is allowed under the Families First Coronavirus Response Act
- Because independent contractors have the ability to apply for a PPP loan on their own, they **do not** count as employees for the calculation of payroll

Loan Amount - Example

- **Example:** A non-seasonal business with less than 500 employees with an average monthly payroll of \$350,000, including wages, vacation time, healthcare, and state and local tax, would be eligible for an \$875,000 covered loan
- The maximum loan amount can be increased by the outstanding amount of any SBA Disaster Loan Program loan made to the business between January 31, 2020 and the date a Paycheck Protection Program loan is available

Loan Application

- **Businesses 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**
- **Only an authorized representative of the business seeking a loan may sign on behalf of the business**
- **E-signature or e-consents can be used regardless of the number of owners**
- **[Link to PPP Application Form](#)**



**Paycheck Protection Program
Borrower Application Form**

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One:		DBA or Tradename if Applicable	
<input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other			
Business Legal Name			
Business Address		Business TIN (EIN, SSN)	Business Phone
		() -	
		Primary Contact	Email Address
Average Monthly Payroll:	\$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request.	\$
Purpose of the loan (select more than one):		Number of Employees:	
<input type="checkbox"/> Payroll <input type="checkbox"/> Lease / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____			

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? <i>Initial here to confirm your response to question 5 →</i> _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? <i>Initial here to confirm your response to question 6 →</i> _____	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input type="checkbox"/>



**Paycheck Protection Program
Borrower Application Form**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- _____ The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- _____ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- _____ The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- _____ The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.
- _____ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.
- _____ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.
- _____ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- _____ I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with 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.

Signature of Authorized Representative of Applicant _____ Date _____

Print Name _____ Title _____



**Paycheck Protection Program
Borrower Application Form**

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to "purpose of the loan," payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tip or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, sick leave, allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating "Average Monthly Payroll," most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any "advance" under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as "principals":

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amount due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



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institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations; or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

Loan Application - Certifications

- **When applying for the loan, businesses must make good-faith certifications that:**
 - The applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors
 - Current economic uncertainty makes the loan request necessary to support the ongoing operations of the applicant
 - Loan funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments
 - Documentation verifying the number of full-time equivalent employees on payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight week period following this loan will be provided to the lender
 - Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities
 - From February 15, 2020 to December 31, 2020, the applicant has not and will not receive another loan under the PPP program
 - The information submitted in the application and supporting documents is true and accurate
 - An acknowledgement that the lender will confirm the eligible loan amount using tax documents the applicant submitted and the tax documents are identical to those submitted to the IRS

Loan Terms

- 100% guaranteed by the federal government
- 2 year maturity and 1% interest rate
- 6 month automatic deferral of payments, however interest still accrues
- No personal guarantee required
- No collateral required
- No fees, including for prepayments
- At least 75% of the loan **shall** be used for payroll costs
- Lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval

Use of Loan Funds

- Payroll costs
- Group health care benefits
- Salaries, commissions or similar compensation
- Mortgage payments (but not prepayments)
- Rent
- Utilities
- Interest on any other debts incurred before February 15, 2020

***75% percent of the loan proceeds must be used for payroll costs**

Loan Forgiveness

- The principal amount of the loan, plus interest, is forgiven in an amount equal to the sum of the following costs incurred and payments made over the 8-week period after receiving the loan:
 - Payroll costs
 - Mortgage interest
 - Rent
 - Utilities - electricity, gas, water, transportation, telephone, or internet access
- Not more than 25% of the forgiven amount may be for non-payroll costs
- SBA will be issuing further guidance on the forgiveness provisions

Loan Forgiveness Reductions

- Potential loan forgiveness is reduced if an employer decreases payroll in the eight-week period after receiving the loan
- The amount of potential loan forgiveness is reduced as a result of:
 - Reductions in the number of employees compared to the prior year and/or
 - Reduction in wages or salary of more than 25% for employees earning less than \$100,000.00 in 2019

Loan Forgiveness Reduction - Employees

- Amount eligible for forgiveness is reduced proportionally to the reduction in the number of full-time equivalent employees
 - Most employers compare the average number of full-time equivalent employees per month employed during the eight-week period after receiving the loan to
 - One of the following at the borrower's choice
 - 1. Average number of full-time equivalent employees per month employed from February 15, 2019 and June 30, 2019; or
 - 2. Average number of full-time equivalent employees per month employed from January 1, 2020 and February 29, 2020
 - Seasonal employers compare the average number of full-time equivalent employees per month employed during the eight-week period to the average number of full-time equivalent employees per month employed from February 15, 2019 to June 30, 2019

Loan Forgiveness Reduction - Employees

Example: If a business had **a monthly average** number of 100 full-time equivalent employees (FTEs) from February 15, 2019 to June 30, 2019, but then **a monthly average** of 90 FTEs in the eight weeks after receiving its PPP loan, the amount of forgiveness is multiplied by 90/100, aka reduced by 10%. If a business had \$100,000 in forgivable expenses that amount would be reduced to \$90,000.

Loan Forgiveness Reduction - Pay

- Amount eligible for forgiveness is reduced on a dollar for dollar basis for pay reductions over 25%
 - The total salary or wages of any employee during the eight-week period after receiving the loan cannot be reduced more than 25% from that employee's total salary or wages during the most recent full quarter during which the employee was employed before the eight-week period after receiving the loan
- This does not apply to employees who receive, during any single pay period during 2019, wages or salary at an annualized pay rate over \$100,000

Loan Forgiveness Reduction - Pay

Example: If a business took out a \$100,000 loan under the program, but reduced the total salary of one of its employees from \$10,000 to \$5,000 during the eight weeks after receiving the loan, the amount of potential loan forgiveness is reduced by \$2,500.

Curing Loan Forgiveness Reductions

- Reductions in employees and pay that occur between February 15, 2020 and April 26, 2020 can be “cured”
- Borrower must eliminate the reduction in employees and/or wages by June 30, 2020
- Additional SBA Guidance Needed
 - Cure by rehiring for one day on June 30?
 - Result if not all loan proceeds spent by June 30?
 - Result if less than 75% spent on payroll costs?

Applying for Loan Forgiveness

- **Businesses must apply for loan forgiveness with the lender and provide certain documentation:**
 - Documentation verifying the full-time equivalent employees on payroll and their pay rates
 - Documentation of mortgage, rent and utility payments
 - Certification that the documentation is true and correct and that forgiveness amounts requested were used to retain employees and make other forgiveness-eligible payments
 - Any other documentation the SBA Administrator may require
- **Lenders are required to make forgiveness determinations within 60 days of receiving a loan forgiveness application**
- **Forgiven amounts that might otherwise typically be included in gross income and subject to taxation, are excluded**

Uncertainties

- **Many banks limiting applications to existing customers**
 - Due to bank decisions, not part of legislation or any guidelines
- **SBA issuing further guidance on forgiveness provisions**
 - As written, forgiveness provisions have gaps
 - Example: What happens if you attempt to bring back employee headcount to cure forgiveness reduction but can't?
- **Unclear what measures will be undertaken for enforcement**
- **Further legislation:**
 - Possible extensions in CARES Act's deadlines as a result of delays
 - More waves of funding likely on the way

Questions?

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