



Capital for Communities –  
Opportunities for People®

## Frequently Asked Questions

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### **What is the PPP?**

The Paycheck Protection Program (PPP) is a part of the CARES Act signed into law by President Trump in March. The Act empowers the US Small Business Administration (SBA) lenders to deploy capital to eligible small businesses throughout the country to help meet their payroll obligations.

### **How does PPP work?**

PPP is for eligible businesses in the US including 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. You will need to work with an SBA eligible lender (like Community Reinvestment Fund, USA) to apply for the PPP loans.

### **How much can I borrow?**

The amount you can borrow will be limited to 2.5 times your average monthly payroll – which include payroll taxes, health and retirement benefits paid by the organization. The maximum loan amount available is \$10 million per business. Exclusions apply for salaries over \$100,000.

### **Are these loans forgivable?**

SBA will forgive 100 percent of PPP loans if all full-time equivalent employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest or utilities. 75 percent of the forgiven amount must have been used for payroll. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels and forgiveness. Amounts will be reduced if full-time equivalent employee headcount declines, or if salaries and wages decrease.

### **Can I defer interest and/or payments?**

Yes. Loan payments will be deferred for six months

### **Who can give me this loan? Where do I find them?**

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### **What is my deadline for applying?**

PPP loans will be available through June 30, 2020 or until the funding authorized by Congress as part of the CARES Act runs out.

### **Who will help me through the process?**

CRF's Customer Care Team is dedicated to helping you through the PPP application process.

### **What will my monthly payments look like?**

Payment amounts depend on loan amounts. Please note PPP payments will be deferred for six months. The loan has a 1% rate and the term is for 2 years.

### **Do I need collateral for a PPP loan?**

No. PPP Loans are unsecured loans that do not require collateral or personal guarantees.

### **Are there any fees?**

No. There is no prepayment fee and your lender will not charge any fees.

### **How do I prepare for the application?**

Please begin gathering the following information to help you complete your PPP loan application:

- General Business Information (legal name, legal structure, Tax-ID, date of formation, address)
- Business Ownership structure (for-profit organization)
  - Names, percent owned, address, phone, email and SSN for all owners.
- Articles of Incorporation/Organization
- By Laws/Operating Agreement
- All owners Driver's Licenses (front and back)
- Business and personal tax returns for 2018 or 2019
- Trailing twelve-month profit and loss statements (as of the month before your application).
- Payroll Reports, Tax forms or journals for 2019 and 2020, such as



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- 2019 or other 12-month Payroll Journals (some services have a PPP Payroll report you can download–check with your payroll service.
- 2019 and 2020 Forms 941 (Employers Quarterly Federal Tax Return)
- 2019 W-3 (Transmittal of Wage and Tax Statements)
- List of employees and their pay if any received more than \$100,000 in the last 12 months.
- Recent payroll report that shows the number of employees as of February 15, 2020 (one that includes that date).
- Accounting records and documents for 2019 and 2020 Year to Date. You will need to summarize other eligible ‘payroll costs’ that can increase your loan amount
  - Group Health Benefits and Insurance
  - Retirement Benefit expense
  - State and Local Taxes on Compensation (like unemployment taxes)
  - 1099-Misc payments in the last 12 months to Ind. Contractors, if any.
- Last 3 months bank statements showing payroll and related expenses being paid.
- Use one of our calculators to estimate your Average Monthly Payroll Costs and Requested PPP Loan Amount using the payroll information above.

*All loans subject to credit approval and final guidance from the SBA on the Paycheck Protection Program. Funds are limited and subject to availability.*

*These characteristics of the SBA Paycheck Protection Program are from the Coronavirus Aid, Relief and Economic Security (CARES) Act, which was signed into law by President Trump on March 27, 2020. The terms and information outlined above are subject to change upon further guidance from the U.S. Small Business Administration and the U.S. government.*