

Business Owner's Guide Payroll Protection Program Loan

The programs and initiatives in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* that was just passed by Congress are intended to assist business owners. This guide focuses on the Payroll Protection Program ("PPP") offered through credit unions. Other programs available include the Emergency Economic Injury Grant, Economic Injury Development Loan, Small Business Debt Relief Program (available for pre-existing SBA loans). All other programs can be accessed directly through the SBA. To keep up to date on all available loan programs please stay in contact with your local Small Business Administration (SBA) District Office or through the SBA website at sba.gov.

Paycheck Protection Program (PPP) Loans

The program provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. Funds are provided in the form of a loan that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities. Due to likely high loan demand, at least 75% of the forgiven amount must have been used for payroll in order to be forgiven. Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government, any agents nor lenders can charge small businesses any fees.

Small businesses with 500 or fewer employees-including nonprofits, veterans' organization, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors-are eligible. Business with more than 500 employees are eligible in certain industries.

Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. It is encouraged to apply quickly as there is a funding cap.

ALL LENDERS WILL HAVE THE SAME TERMS REGARDLESS OF LENDER OR BORROWER. AGENTS ARE NOT PERMITTED TO CHARGE A FEE TO THE BORROWER AND ALL AGENT FEES ARE TO BE PAID BY THE LENDER.

LIST OF REQUIRED DOCUMENTATION

1. ARTICLES OF INCORPORATION/ORGANIZATION (CORPORATIONS) or BYLAWS/OPERATING AGREEMENT (LLCS) or BUSINESS LICENSE (SOLE PROPRIETORSHIPS)
2. COMPLETED PAYROLL PROTECTION PROGRAM APPLICATION FORM
3. 2019 IRS QUARTERLY 940, 941 OR 944 PAYROLL TAX REPORTS
4. 2019 PAYROLL REPORT (INCLUDING PAYROLL TAXES AND NUMBER OF EMPLOYEES) FOR CALENDAR YEAR 2019 or 2020 PAYROLL REPORT FROM JANUARY 1, 2020 TO FEBRUARY 29, 2020 (NEW BUSINESSES ONLY)
5. DOCUMENTATION SHOWING TOTAL OF ALL HEALTH INSURANCE PREMIUMS PAID BY THE COMPANY OWNER(S) UNDER A GROUP HEALTH PLAN. INCLUDE ALL EMPLOYEES AND THE COMPANY OWNERS
6. DOCUMENT THE SUM OF ALL RETIREMENT PLAN FUNDING THAT WAS PAID BY THE COMPANY OWNER(S) (DO NOT INCLUDE FUNDING THAT CAME FROM EMPLOYEES OUT OF THEIR PAYCHECK DEFERRALS).
7. COMPLETED PAYROLL CALCULATOR WORKSHEET

8. LIST OF ALL EMPLOYEES WITH ANNUAL SALARY OR COMPENSATION IN EXCESS OF \$100,000
9. COPY OF FRONT AND BACK OF DRIVERS LICENSE OR PASSPORT FOR ALL AUTHORIZED SIGNERS OF BUSINESS
10. SCHEDULE OF ANY SUPPLEMENTARY FACTS OR ANSWERS AS REQUESTED IN THE APPLICATION

Payroll includes:

- salary, wages, commissions or similar compensation;
- payment of cash tips or the equivalent;
- payment for vacation, parental, family, medical or sick leave;
- allowance for dismissal or separation;
- payment required for the provisions of group health care benefits, including insurance premiums;
- payment of any retirement benefits; and
- payment of state or local (but not federal, e.g., FICA) tax assessed on the compensation of employees.

Payroll DOES NOT include:

- compensation “in excess of an annual salary of \$100,000” for any given employee, owner, partner, sole proprietor or independent contractor;
- (again) federal withholding;
- compensation for any employee whose principal place of residence is outside of the United States;
- qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116-127); or
- qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act (Public Law 116–127).

THIS FAQ IS INFORMATION PROVIDED BY THE FEDERAL GOVERNMENT AND NEITHER MBFS NOR LENDER MAKE ANY REPRESENTATION AS TO THE ACCURACY

FREQUENTLY ASKED QUESTIONS

QUESTION: What types of businesses and entities are eligible for a PPP loan?

Answer: Businesses and entities must have been in operation on February 15, 2020.

Small business concerns, as well as any business concern, non-profits under sections 501(c),(d), or (e), or Tribal business concern described in section 31(b)(2)(C) that has fewer than 500 employees, or the applicable size standard in number of employees for the North American Industry Classification System (NAICS) industry as provided by SBA, if higher.

Individuals who operate a sole proprietorship or as an independent contractor and eligible self-employed individuals.

Any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a NAICS code beginning with 72, for which the affiliation rules are waived.

Affiliation rules are also waived for any business concern operating as a franchise that is assigned a franchise identifier code by the Administration, and company that receives funding through a Small Business Investment Company.

QUESTION: What are affiliation rules?

Answer: Affiliation rules become important when SBA is deciding whether a business's affiliations preclude them from being considered "small." Generally, affiliation exists when one business controls or has the power to control another or when a third party (or parties) controls or has the power to control both businesses. Please see this resource for more on these rules and how they can impact your business's eligibility.

QUESTION: What types of non-profits are eligible?

Answer: In general, non-profits under sections 501(c), (d), or (e) with 500 employees or fewer as most non-profit SBA size standards are based on revenue, not employee number. You can check [here](#).

QUESTION: How is the loan size determined?

Answer: Depending on your business's situation, the loan size will be calculated in different ways (see below). The maximum loan size is always **\$10 million**.

If you were in business February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs during that time period. If your business employs seasonal workers, you can opt to choose March 1, 2019 as your time period start date.

If you were not in business between February 15, 2019 – June 30, 2019: Your max loan is equal to 250 percent of your average monthly payroll costs between January 1, 2020 and February 29, 2020.

If you took out an Economic Injury Disaster Loan (EIDL) between February 15, 2020 and June 30, 2020 and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum.

QUESTION: What costs are eligible for payroll?

Answer: Compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent)
Payment for vacation, parental, family, medical, or sick leave
Allowance for dismissal or separation
Payment required for the provisions of group health care benefits, including insurance premiums
Payment of any retirement benefit
Payment of State or local tax assessed on the compensation of employees

QUESTION: What costs are not eligible for payroll?

Answer: Employee/owner compensation over \$100,000
Taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code
Compensation of employees whose principal place of residence is outside of the U.S.
Qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the *Families First Coronavirus Response Act*

QUESTION: What are allowable uses of loan proceeds?

Answer: Payroll costs (as noted above)

Costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums

Employee salaries, commissions, or similar compensations (see exclusions above)

Payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation)

Rent (including rent under a lease agreement)

Utilities

Interest on any other debt obligations that were incurred before the covered period

QUESTION: What are the loan term, interest rate, and fees?

Answer: For any amounts not forgiven, the maximum term is 2 years, the maximum interest rate is 0.5% percent, zero loan fees, zero prepayment fee (SBA will establish application fees caps for lenders that charge).

QUESTION: How is the forgiveness amount calculated?

Answer: Forgiveness on a covered loan is equal to the sum of the following payroll costs incurred during the covered 8-week period compared to the previous year or time period, proportionate to maintaining employees and wages (excluding compensation over \$100,000):
Payroll costs **plus** any payment of interest on any covered mortgage obligation (not including any prepayment or payment of principal on a covered mortgage obligation) **plus** any payment on any covered rent obligation **plus** and any covered utility payment.

QUESTION: How do I get forgiveness on my PPP loan?

Answer: You must apply through your lender for forgiveness on your loan. In this application, you must include:

Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and State income, payroll and unemployment insurance filings.

Documentation verifying payments on covered mortgage obligations, lease obligations, and utilities.

Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.

QUESTION: What happens after the forgiveness period?

Answer: Any loan amounts not forgiven are carried forward as an ongoing loan with max terms of 2 years, at a fixed interest rate of 0.5%. Principal and interest will continue to be deferred, for a total of 6 months to a year after disbursement of the loan. The clock does not start again.

QUESTION: Can I get more than one PPP loan?

Answer: No, an entity is limited to one PPP loan. Each loan will be registered under a Taxpayer Identification Number at SBA to prevent multiple loans to the same entity.

QUESTION: Where should I go to get a PPP loan from?

Answer: All current SBA 7(a) lenders are eligible lenders for PPP. The Department of Treasury will also be in charge of authorizing new lenders, including non-bank lenders, to help meet the needs of small business owners.

QUESTION: How does the PPP loan coordinate with SBA's existing loans?

Answer: Borrowers may apply for PPP loans and other SBA financial assistance, including Economic Injury Disaster Loans (EIDLs), 7(a) loans, 504 loans, and microloans, and also receive investment capital from Small Business Investment Corporations (SBICs). However, you cannot use your PPP loan for the same purpose as your other SBA loan(s). For example, if you use your PPP to cover payroll for the 8-week covered period, you cannot use a different SBA loan product for payroll for those same costs in that period, although you could use it for payroll not during that period or for different workers.

QUESTION: How does the PPP loan work with the temporary Emergency Economic Injury Grants and the Small Business Debt Relief program?

Answer: Emergency Economic Injury Grant and Economic Injury Disaster Loan (EIDL) recipients and those who receive loan payment relief through the Small Business Debt Relief Program may apply for and take out a PPP loan as long as there is no duplication in the uses of funds. Refer to those sections for more information.

SBA PPP APPLICATION INSTRUCTIONS

The SBA Payroll Protection Program (“PPP”) loan program can be initiated by providing your information and document through an online portal.

STEP 1: DOCUMENTATION COLLECTION

Gather the following documentation, complete the applicable forms, and scan the documents in a format (pdf preferred) that can be uploaded to the application portal:

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STEP 2: ACCOUNT CREATION

<https://mbfs.force.com/customers>

- Directly under “Log In” click on New Customer? Sign Up
- What product are you interested in? Select SBA
- Enter First Name, Last Name, Email, and Mobile information
- Select Continue
- You will receive a notice that says “Check your email for a link to the application” (Note: the email will be coming from Salesforce so please check your junk or spam folder if you do not receive it within a few minutes)

STEP 3: ENTER APPLICATION INFORMATION

- From your email, select the link or button to apply for a loan
- You will jump to your browser and be prompted to “Create a Password”
- Once a password is created you will walk through the application process
- Request section:

- Loan Amount: Please enter an estimated loan amount based on eligibility guidelines above. Our intention is to provide a loan amount to the fullest extent eligible.
- Loan Purpose: Enter “PPP loan program”
- Are you affiliated with a Credit Union? If yes, please enter the credit union you desire to fund the loan
- Your Business section:
- Legal Business Name: This is the corporate name of the operating small business or non-profit
- Annual Revenue: estimated 2019 revenue
- Tax Identification Number
- Legal Entity Type
- Where is your business located? Billing and physical address
- Personal Info section:
- Role: Select either Owner, Co-Owner, or Partner
- Social Security Number (of owner/partner)
- Contact Information: Enter home and personal mailing address
- Answer Yes/No to Legal Information questions
- Borrowers & Guarantors:
- Select “Skip.” All PPP loans will be made to only one entity and will not require a personal guarantee, co-borrowers, or collateral.
- Review and Submit
- Review the section under “Does everything look right?”
- Click authorization box
- Select “Submit Application”

STEP 4: UPLOAD DOCUMENTS

- You will be taken to a summary screen about next steps in the process along with a follow-up email. Select “Go To Dashboard.”
- Either through the email confirmation or through the application portal you will be at the mail dashboard.
- Under the To-Do List there is an “Upload Documents” section. Members applying for the PPP loan can ignore the requests under this section.
- In the “Additional Documents” section, you have the option to upload documents either by “drag & drop” or browsing your computer for the electronic version of the documents.
- Upload the following documents to the Additional Documents:

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- When all documents have been uploaded please send a follow-up email to your credit union contact. Please understand that processing cannot begin on your application until all required documents are completed

STEP 5: LOAN PROCESSING & CLOSING

- Credit union will begin processing loan request, verify eligibility, and coordinate with business to arrange closing.



Paycheck Protection Program Borrower Application Form

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

Check One: <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	DBA or Tradename if Applicable	
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:	\$	Number of Employees:	
Purpose of the loan (select more than one): <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? Initial here to confirm your response to question 5 → _____	<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)? Initial here to confirm your response to question 6 → _____	<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 tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or 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 time 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 the 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 amounts 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



Paycheck Protection Program Borrower Application Form

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.