



UNDERSTANDING THE PAYCHECK PROTECTION PROGRAM

First Federal Lakewood is here to support our business community by offering the Paycheck Protection Program (PPP) through the SBA.

PPP Loan Details

Who is eligible:

Businesses of 500 employees or less; certain sole proprietors, self-employed individuals and independent contractors may also qualify

Maximum Loan Amount:

2.5x of payroll expenses up to \$10 million

Forgiveness:

Qualifying businesses have the opportunity for complete loan forgiveness

Collateral Requirement:

None

Rates & Loan Terms Available:

0.5% interest rate, 2 year term
No payments for 6 months

Businesses that have been operational since at least February 15th, 2020 **must apply by June 30th, 2020** to be eligible.

Disclosure:

‡ All SBA loans subject to eligibility, program requirements and program availability. Source: U.S. Small Business Administration (SBA) Loans subject to credit application and approval. This program is subject to change per the SBA.

How can a PPP be used?

PPP Loan is designed to cover working capital costs, which include:

- Payroll costs, rent payments, interest payments, and utilities
- Cost related to the continuation of group health care benefits during periods of paid sick, medical, or family leave and insurance premiums
- Refinance of an SBA Disaster Loan (EIDL) that was made between the period of January 31, 2020 and the date of the loan application for the PPP loan

How do you apply for a PPP?

You will need to have the following information ready in order to apply:

- 2019 IRS Quarterly 940, 941 or 944 payroll tax reports
- Payroll reports for a twelve-month period (ending on your most recent payroll date), which will show the following information:
 - 1099s for independent contractors for 2019
 - Documentation showing total of all health insurance premiums paid by the company owner(s) under a group health plan.
 - 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).