Application Deadline: June 30, 2020

Loan Terms & Conditions

- Eligible businesses: All businesses, including non-profits, Veterans organizations, Tribal concerns, sole proprietorships, self-employed individuals, and independent contractors, with 500 or fewer employees, or no greater than the number of employees set by the SBA as the size standard for certain industries
- Maximum loan amount: $10 million
- Loan forgiveness: The amount of loan forgiveness will be equal to the amount of payroll costs and other designated business operating expenses (listed below) incurred in the 8 weeks following the date of loan origination, not to exceed the principal amount of the loan. Not more than 25% of the forgiven amount may be for non-payroll costs.
- All loans under the program will have the following identical features:
  - Interest rate of 1.0%
  - Maturity of 2 years
  - First payment deferred for six months
  - 100% guarantee by SBA
  - No collateral
  - No personal guarantees
  - No borrower or lender fees payable to SBA

Loan funds can be used for:

- Payroll costs, including benefits
- Interest on mortgage obligations, incurred before February 15, 2020
- Rent, under lease agreements in force before February 15, 2020
- Utilities, for which service began before February 15, 2020

Loan amount will be calculated based on the following eligible payroll costs:

- Salaries, wages, commissions or similar compensation, capped at $100,000 on an annualized basis for each employee
- Payment of cash tips 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 benefits
- Payment of State or local tax assessed on the compensation of employees
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at $100,000 on an annualized basis for each employee

Payroll costs that are not eligible:

- Compensation of an employee in excess of an annual salary of $100,000, as prorated for the covered period
- Payments to independent contractors
- Federal employment taxes imposed or withheld between February 15, 2020 and June 30, 2020, including the employee’s and employer’s share of FICA (Federal Insurance Contributions Act) and Railroad Retirement Act taxes, and income taxes required to be withheld from employees
• Any compensation of an employee whose principal place of residence is outside of the United States
• Qualified sick leave and family leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act

Loan Application Documentation Requirements

• Completed SBA Paycheck Protection Program Application Form (SBA Form 2483)
• 2019 quarterly payroll tax reports (including IRS Forms 940 and 941 and NYS income and unemployment tax filing reports)
• Last 12 months of payroll reports beginning with the most recent payroll date, including gross wages and paid time off for each employee
• Documentation showing total of all health insurance premiums paid by the company under a group health plan in past 12 months. Copies of monthly invoices are acceptable.
• Documentation showing the sum of all retirement plan funding that was paid by the company in the past 12 months (should NOT include funding that came from employee contributions). Copies of work papers, schedules and remittances to the retirement plan administrator are acceptable.
• If any of the above documentation is not available, the borrower must provide other supporting documentation, such as bank records, sufficient to demonstrate the qualifying payroll amount

1 For non-seasonal businesses operating for less than 1 year: Payroll time period is January 1, 2020 through February 29, 2020. For all seasonal businesses: Payroll time period is February 15, 2019 or March 1, 2019 (borrower’s choice) through June 30, 2019.

Loan Forgiveness

The amount of loan forgiveness will be equal to the amount of costs and payments noted below; made in the 8-week period after loan origination date, not to exceed the principal amount of the loan:

• Eligible payroll costs
• Interest payments on mortgage loans incurred before February 15, 2020 (does not include principal payments or any prepayment of the loan)
• Rent payments made under a lease agreement that was in force prior to February 15, 2020
• Utility payments for services that began before February 15 2020. Includes electricity, gas, water, telephone, and internet access

Not more than 25% of the forgiven amount may be for non-payroll costs.

The loan forgiveness amount will be reduced if there is a decrease in:

• Full-time employee headcount
• Decrease in salaries and wages by more than 25% for any employee that made less than $100,000 annualized in 2019 (or applicable time period per the above)
• Re-Hiring – Reductions in employment or wages that occur during the period beginning on February 15, 2020 and ending on April 26, 2020 will not reduce the amount of the loan forgiveness if by June 30, 2020, the borrower eliminates the reduction in employees or wages.
Application for loan forgiveness must include the following documentation:

1. Borrower must verify the number of FTE employees on payroll and pay rates for the below periods:

   For Number of FTE Employees

   *Depending upon borrower’s election (non-seasonal businesses)*

   8-week period after loan origination, and February 15, 2020 through June 30, 2020
   OR
   8-week period after loan origination, and January 1, 2020 through February 29, 2020

   *For seasonal businesses,*

   For Salary and Wages:

   8-week period after loan origination, and the most recent full quarter of employment prior to such 8-week period of loan origination

   **Required documentation:**
   - Payroll tax reports (including IRS Forms 940 and 941 and NYS income and unemployment tax filing reports) for the 8-week period after loan origination
   - Payroll reports for each pay period during the 8-week period after loan origination, including gross wages and paid time off for each employee
   - Documentation showing health insurance premiums paid by the company under a group health plan for the 8-week period after loan origination; copies of monthly invoices are acceptable
   - Documentation of all retirement plan funding that was paid by the company for the 8-week period after loan origination; copies of work papers, schedules and remittances to the retirement plan administrator are acceptable
   - If any of the above documentation is not available, the borrower must provide other supporting documentation, such as bank records, sufficient to demonstrate the qualifying payroll amount

2. Copies of all lease agreements lease agreements for real estate and tangible personal property along with proof of payment during the 8-week period after loan origination

3. Copies of all statements of interest paid on debt obligations incurred prior to February 15, 2020 indicating payment amounts and proof of payment for the 8-week period after loan origination

4. Copies of cancelled checks, statements or other evidence of utilities paid during the 8-week period after loan origination

5. Any other documentation the SBA determines necessary

*Failure to provide the above required documentation will result in ineligibility for loan forgiveness.*

04/2020