



## UPDATED PAYCHECK PROTECTION LOAN APPLICATION AND RULES -- APPLICATIONS ARE BEING ACCEPTED TODAY!

Lenders are accepting applications for the much publicized Paycheck Protection Loan (a/k/a the modified and expanded SBA 7(a) business loan under the CARES Act) TODAY! It is expected that the \$349 Billion authorized under the CARES Act will be exhausted in a few days! Once the funds are exhausted we will have to wait for Congress to authorize additional funds.

The SBA has updated the loan application LATE YESTERDAY and provided interim final rules. Here are the links:

[Updated Loan Application](#)  
[Interim Final Rules](#)

### APPLICATION AND SUPPORTING INFORMATION:

#### Timing and Process:

These loans are being made available as of today, April 3, 2020 exclusively through banks and not directly through the SBA. If you haven't done so already, you should reach out to your commercial lender immediately. If you have submitted a loan application before today to get ahead of the game, make sure confirm with your commercial lender that you don't have to submit an updated loan application.

We have heard from a number of banks that they are prioritizing loan applications of their existing customers and/or are not yet set up to accept loan applications. If your current banking institute is not an SBA lender (or not ready to accept loan applications), it may difficult to get another bank to prioritize your application unless you agree to move your banking relationship. Please let us know if you are running into this issue and we will do our best to help.

#### Pull Together Required Documentation:

For eligible borrowers, the maximum loan amount is equal to 250% of your average monthly Payroll Costs over the last 12 months (subject to: \$10,000,000 cap; seasonal business rules; and \$100,000 individual employee limitation). You will need to supply proof of the requested borrowing amount so make sure you have copies of your tax returns for the last 2 years, 2019 tax return drafts or internal financials, payroll reports from Paychecks or ADP or, if you not use a payroll service, a bank statement showing payroll paid, readily available.

**HOW CAN SCHLOSSBERG ASSIST?** Please let us know if you would like our assistance in understanding whether and how to access these programs, including the following:

- Determining loan eligibility
- Assistance with loan application process
- Reviewing your lender's SBA program loan documents
- Coordinating your SBA loan with existing loans
- Projecting amounts that will be forgiven
- Understanding the tax implications of program participation

Again, it is likely the full \$349 Billion will be exhausted in a few days. If you are contemplating applying for a Paycheck Protection Loan, make sure you do it today!