

7 April 2020 – Laramie, WY

Interim Final Rule on Business Loan Program Temporary Changes; Paycheck Protection Program

SBA Small Business Administration (SBA) and U.S. Department of Treasury have released an interim final rule on the Business Loan Program and Paycheck Protection Program. These programs are intended to provide economic relief to small businesses nationwide adversely impacted under the Coronavirus Disease 2019 (COVID-19) Emergency Declaration (COVID-19 Emergency Declaration) issued by President Trump on March 13, 2020.

The **Paycheck Protection Program** was authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES) to provide immediate assistance to individuals, families, and businesses affected by the COVID-19 emergency. Among the provisions contained in the CARES Act are provisions authorizing SBA to temporarily guarantee loans under a new 7(a) loan program titled the “Paycheck Protection Program.” Loans guaranteed under the Paycheck Protection Program (PPP) will be 100 percent guaranteed by SBA, and the full principal amount of the loans may qualify for loan forgiveness.



U.S. Small Business
Administration

The Paycheck Protection Program (“PPP”) authorizes up to \$349 billion in forgivable loans to small businesses, including **agricultural businesses**, to pay employees during the COVID-19 crisis. All loan terms will be the same for every applicant.

- **Loan amounts will be forgiven** as long as: 1. The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8 week period after the loan is made; and 2. Employee and compensation levels are maintained.
- **Payroll costs are capped** at \$100,000 on an annualized basis for each employee.
- **Loan payments** will be deferred for 6 months
- **What is the interest rate?** 1.00% fixed rate
- **When is the loan due?** In 2 years.
- **When to apply?**
 - Starting **April 3, 2020**, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
 - Starting **April 10, 2020**, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
 - Other regulated lenders will be available to make these loans as soon as they are approved and enrolled in the program.
- **Where to apply?**

Businesses can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and **Farm Credit System institution** that is participating. Visit <https://www.sba.gov> for a list of SBA lenders.

For more information, see:

- [Coronavirus \(COVID-19\): Small Business Guidance & Loan Resources](#)
- [PAYCHECK PROTECTION PROGRAM \(PPP\) INFORMATION SHEET: BORROWERS](#)
- [Business Loan Program Temporary Changes; Paycheck Protection Program](#)