



CARES Act
Paycheck Protection Program (PPP)

Application Checklist
and answers to
Frequently Asked Questions



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Application Checklist

Below is a list of information required to process your loan requests.

Loan Application Information:

- SBA Form 2483 (application)
<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>
- Payroll Documentation - *see FAQ question 2*
 - 2019 941 statements or other documentation of prior year payroll expenses
 - Documentation to confirm your business had paid employees on or about Feb 15, 2020
 - For sole proprietors, independent contractors or self employed, a copy of your 2019 Schedule C.

Loan Forgiveness Information:

- Amounts to be forgiven - *see FAQ question 3*
- Documentation of expenses needed **for the 8 weeks following your loan origination date**
 - Verification of the number of full time equivalent employees on the payroll
 - Documentation of dollar amounts spent on the following during those 8 weeks:
 - Payroll - *same eligible payroll expenses used when calculating payroll costs for application*
 - Rent
 - Utilities
 - Interest payments
- Attestation that the PPP loan funds were used for these expenses

Frequently Asked Questions

1. How do I calculate the loan amount for Paycheck Protection Program?

The operating company will take their average monthly payroll costs times 2.5x to obtain the PPP loan amount.

2. What counts as payroll costs?

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including:
 - costs for vacation, parental, family, medical, or sick leave;
 - allowance for separation or dismissal;
 - payments required for the provisions of group health care benefits including insurance premiums;
 - and payment of any retirement benefit;
- State and local taxes assessed on compensation; and
- For sole proprietor or independent contractor: Net income from your 2019 schedule C filing, capped at \$100,000

3. How do I calculate the loan forgiveness amount of the PPP loan?

You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan.

You will also owe money if you do not maintain your staff and payroll as detailed below:

- Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

4. If the entire amount of my loan is not forgiven, what are the terms of the remaining balance?

The remaining balance of your loan will have a low interest of 1.0% APR with a 2 year term.

5. Does my business qualify if I was not open a full year in 2019 or started in 2020?

Any business that is open prior to February 15, 2020 qualifies for the PPP loan.
You would take your payroll costs and divide by months in operation.

6. Can you apply for an Economic Injury Disaster loan AND a PPP loan?

Our understanding is that you can receive funding for both loans as long as the proceeds are used for different purposes. For example, you can not use both loans to cover payroll expenses.

7. What is the process to apply for payment assistance on an existing SBA loan?

Guidelines under the CARES Act indicates SBA will make payments directly to your SBA Lender - so no action will be required by the individual borrowers. If we receive updated information that indicates any action on your part is required, we will contact you.