

SMALL BUSINESS PAYCHECK PROTECTION PROGRAM FAQ

Southwest Michigan First is here for you to help you understand available COVID-19 financial relief programs.



Small Business Paycheck Protection Program: What Is It?

The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent and utilities.



Must Keep Employees on the Payroll—or Rehire Quickly

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.



Fully Forgiven

Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages rent and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.



All Small Businesses Eligible

Small businesses with 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietors, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

How to Apply

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. All loans will have the same terms regardless of lender or borrower.

When to Apply

Starting **Friday, April 3, 2020**, small businesses and sole proprietors can apply.

Starting **April 10, 2020**, independent contractors and self-employed individuals can apply. We encourage you to apply as quickly as you can because there is a funding cap.

[CLICK HERE FOR THE APPLICATION](#)



Additional Information is available at

southwestmichiganfirst.com/what-we-do/covid-19-response/paycheck-protection-program

Contact a Southwest Michigan First team member for a consultation at **269.553.9588**.