

Paycheck Protection Program: An SBA Guaranteed Loan



**Loan Amount
up to 2.5x monthly
Payroll**



**For Businesses and
Nonprofits with 500 or
fewer Employees**



**Opportunity for
complete Loan
Forgiveness**



**Payments Deferred
up to 12 months**



**KeyBank is #9 ranked
SBA Lender**

What is the Paycheck Protection Program?

- A 100% SBA guaranteed loan directly from KeyBank that is possibly eligible to be forgiven and requires no other collateral or personal guarantee
- Intended to cover costs related to payroll expenses, continuation of group health care benefits, lease payments, mortgage interest payments, utility payments and interest on other pre-existing debt obligations
- Loan forgiveness amount will be equal to the amount spent on payroll costs, mortgage interest payments, lease payments, and utility payments during the 8 weeks following the loan origination date⁽¹⁾

Am I Eligible?

- Program includes applicants eligible under existing 7(a) program, as well as non-profits, sole proprietors, self-employed individuals, and independent contractors
- The SBA's employee headcount restrictions have been revised for this program → eligible applicants are applicants with 500 or fewer employees, except for applicants within the accommodation and food services sector that can have up to 500 employees per physical location⁽⁵⁾
- Applicants must certify that they have been adversely impacted by COVID-19

What Loan Amount Can I Qualify For?

- Loan amount is the lesser of:
 - \$10,000,000
 - OR
 - 2.5x the total average monthly payroll costs incurred in the 1 year prior to origination date⁽²⁾⁽³⁾⁽⁴⁾
- Monthly payments are deferred for between 6 and 12 months
- Any amount not forgiven is converted to a term loan not to exceed 10 years or 4% interest

What's Next?

- While the SBA has not released details on the specific information an applicant will have to provide, we suggest you have the following items ready:
 - Most recent IRS Form 941: Employer's Quarterly Federal Income Tax Return
 - A breakdown of your January 2019 through February 2020 payroll expenses
 - Complete 2019 financials (profit/loss and balance sheet) → to ensure SBA approval, all documentation must be verified
- **In the near term, we will have a streamlined process from application to approval to cash in hand within days**

Note: (1) Mortgage, lease, and utility service must be in force prior to Feb 15, 2020 to be eligible for forgiveness; (2) with adjustments for seasonality if applicant is a seasonal employer; (3) If not in business from February 15, 2019 through June 30, 2019, 2.5x the sum of the average total monthly payroll costs incurred from January 1, 2020 through February 29, 2020; (4) if applicant received an EIDL loan between January 31, 2020 and March 31, 2020 then the outstanding amount is added to the eligible loan amount; (5) If the SBA has established alternative size standards for the industry in which the applicant operates, the number of employees shall be as set forth in such guidance

