

Application Deadline for Small Business Loans Extended

Congress has passed legislation to extend the application deadline for a Paycheck Protection Program (PPP) loan through Aug. 8, 2020. Prior to the extension, the deadline to apply for these funds was June 30, 2020. The extension enables eligible small businesses to apply for funding for five more weeks. The legislation has been sent to President Trump, who is expected to sign the measure into law.

WHAT IS THE PPP?

In response to the debilitating effect the COVID-19 pandemic has had on small businesses across the country, the federal government funded a program under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) called the PPP.

The PPP is designed to get cash in the hands of suffering small businesses quickly, with less stringent eligibility requirements than the existing U.S. Small Business Administration (SBA) loan programs. PPP loans are designed to incentivize business owners to keep employees on payroll. These loans provide 100% federally guaranteed loans to small businesses. In addition, provided that small businesses use their PPP loan funds appropriately, the loans may be eligible for forgiveness.

WHAT ARE THE ELIGIBILITY REQUIREMENTS?

According to the SBA, the following entities affected by the COVID-19 pandemic may be eligible to receive a PPP loan:

- Any small business concern that meets the SBA's size standards (either the industry-based size standard or the alternative size standard)
- Sole proprietors, independent contractors and self-employed persons
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Any business, 501(c)(3) nonprofit organization, 501(c)(19) veterans organization or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
 - 500 employees, or
 - That meets the SBA industry size standard if more than 500

WHAT'S NEXT?

Eligible small businesses that wish to apply for PPP loan funding should reach out to their bank to discuss applying for the loan. In addition, borrowers should direct any questions regarding their PPP loan to their lender.

We will continue to monitor any additional developments regarding the PPP and deliver updates as necessary. For more information about the PPP, contact Wallace Welch &

Provided by Wallace Welch & Willingham

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**WALLACE WELCH
& WILLINGHAM**

INSURANCE & RISK MANAGEMENT SINCE 1925



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Willingham.

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