**PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION**

The Paycheck Protection Program (PPP) authorizes up to $349 billion in forgivable loans to small business to pay their employees during the COVID-19 crisis. **All loan terms will be the same for everyone.**

The loan amounts will be forgiven for as long as:

* 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
* Employee and compensation levels are maintained.

Payroll costs are capped at $100,000 on an annualized basis for each employee. Due to the high demand for these funds, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

Loan payments will be deferred for 6 months.

**When can I apply?** Applications can be submitted on April 3, 2020.

**Where can I apply?** First Federal Savings Bank and Home Building Savings Bank will be happy to assist you with your application.

**Who can apply?** All businesses – including nonprofits, veteran’s organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees.

**What do I need to apply?** You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to us.

**What other documents will I need to include in my application?** You will need to provide us with the following:

* Pay costs, including benefits;
* 2019 Business Tax Returns and if not filed yet please provide Year-to-Date 2019 Profit & Loss statement.
* Interest on mortgage obligations, incurred before February 15, 2020 (a recent mortgage statement)
* Rent, under lease agreement in force before February 15, 2020 (a lease statement or copy of lease)
* Most recent copy of utility bills. These can include water, internet electric and phone.

**How large can my loan be?** Loans can be up to 2.5 times your average monthly payroll costs from the last year. There is a cap of $10 million.

**How much of my loan will be forgiven?** 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 utility payments over the 8 weeks after getting the loan. Due to the high demand, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

You will also owe money if you do not maintain your staff and payroll.

* Number of Staff: Your loan forgiveness will also 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.

**How can I request forgiveness?** You can submit a request to the lender that is servicing the loan. The request will include documents that verify the number of full-time equivalent employees and pay rates, as well as the payments on eligible mortgage, lease, and utility obligations. You must certify that the documents are true and that you used the forgiveness amount to keep employees and make eligible mortgage interest, rent, and utility payments. The lender must make a decision on the forgiveness with 60 days.

**What is my interest rate?** 0.50% fixed rate.

**What is the loan term?** Two years.

**When do I need to start paying interest on my loan?** All payments are deferred for 6 months; however, interest will continue to accrue over this period.

**Can I pay my loan earlier than 2 years?** Yes. There are no prepayment penalties or fees.

**Do I need to pledge any collateral for these loans?** No. No collateral is required.

**Do I need to personally guarantee this loan?** No. There is no personal guarantee requirement. \*\*\*However, if the proceeds are used for fraudulent purposes, the U.S. government will pursue criminal charges against you. \*\*\*

**What do I need to certify?** As part of your application, you need to certify in good faith that:

* Current economic uncertainty makes the loan necessary to support your ongoing operations
* The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
* You have not and will not receive another loan under this program.
* You will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
* Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to high demand, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
* All the information you provided in your application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
* You acknowledge that the lender will calculate the eligible loan amount using the tax documents you submitted. You affirm that the tax documents are identical to those you submitted to the IRS. And you also understand, acknowledge, and agree that the lender can share the tax information with the SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.