

CARES Act's Paycheck Protection Program

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The following is important information regarding Section 1102 of the **CARES Act**, the **Paycheck Protection Program** ("PPP"):

- The PPP authorizes low-interest loans of up to \$10,000,000 to borrowers to fund eligible payroll costs, certain mortgage payments, rental payments, and utilities payments, which a portion of the loans would be eligible for forgiveness for certain payroll and certain other operating costs as long as the borrowers maintain their payrolls.
- The PPP will be available from April 3, 2020 through June 30, 2020
- This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- The PPP applies to businesses in certain industries that may have more than 500 employees are if they meet the SBA's size standards for those industries
- Small businesses in the hospitality and food industry with more than one location could also be eligible at the hotel/store location level if the hotel/store employs less than 500 workers
- Borrowers can apply through an existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating

As with any groundbreaking legislation, there are many issues that need to be addressed in greater detail via rule-making, guidelines and Q&As.

We will continue monitoring developments and sending updates as they unfold. In the meantime, should you have questions regarding the PPP and your eligibility, please contact any of the attorneys of the **McV Emergency Task Force**.

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