



C·A·M·E·O·

Payroll Protection Program (PPP) Participation



General Info

- **Everyone's audio is muted**
- **Zoom menu --- drag cursor down screen.**
 - **Mic icon on left.**
 - **Chat box.**
- **We are recording and you are free to share. We will send all registrants a link as soon as we can**
- **You will receive a copy of today's slides.**

CAMEO's Training



- **Webinars**
 - **Upcoming: Listening Session -Wed**
- **Bringing TA Online 2nd cohort - Fri**
- **CDFI Essentials - Fri**

AGENDA



- ❖ Debt Relief
- ❖ Changes in EIDL
- ❖ PPP Lenders: eligibility, considerations
- ❖ Process
- ❖ PPP V. EIDL

Debt Relief – FYI!

- ❑ Existing SBA Loans
 - ❑ 504
 - ❑ 7a / Community Advantage
 - ❑ Microloans
- ❑ New loans?

CHANGES to the EIDL



PPP – Who's Eligible to Lend

- **SBA 7a/Community Advantage
but not microlenders**
- **Non 7a federally regulated (FDIC, OCC, Fed Reserve,
Farm Credit Assoc, etc., Credit Union)**
 - **Banks**
 - **Credit Unions**
 - **Community Banks**
- **Online Lenders?**

PPP – Who's Lending

- **1st tier banks (Wells, BofA)**
- **2nd tier (US, etc)**
- **Community banks - most**

SBA Lender Match continually updating

PPP – To Lend or Not To Lend?

- Are you eligible?
- If eligible, is this a good product for you? Considerations:
 - Do you have K?
 - Is PPP product a breakeven?
- If not a good product or not eligible, partner to make referrals

PPP – Borrower



- The [Paycheck Protection Program](#) (PPP) is live.
- Small businesses and eligible nonprofit organizations, veterans organizations, and individuals who are self-employed or independent contractors are eligible if [they also meet program size standards](#).
- SBA will forgive the portion of the loans used for payroll, rent, utilities, etc. if all employees are kept on payroll for eight weeks.

PPP – Documentation Needed

- Payroll processor records
- Payroll tax filings
- Payroll tax forms from 2019 (941, 940 & W-3)
- Form 1099- MISC (for indep cont)
- Income and expenses for a Sole proprietor
—
- Or Bank records



PPP – Who is it Good For

Payroll = \$10,000 per month
+ Benefits (health&retirement) + Payroll Expenses = \$2,000 per month

X 2.5

= \$30,000

As long as 75% of the \$30,000 is for the payroll expenses, it is forgiven in 2 months. Full payroll for 2 months = \$24,000 = 80%
\$6,000 can be used on rent or other expenses.

PPP with an EIDL

Payroll = \$10,000 per month
+ Benefits (health&retirement) + Payroll Expenses = \$2,000 per month

X 2.5

+ EIDL Advance of \$10,000

= \$40,000

& refinance the EIDL Loan

PPP – Borrower Considerations

- Documentation needed
- Check with bank to see what time frame they want
- Exclusions
 - Compensation > \$100,000
 - Federal taxed imposed or withheld 2/25/20-6/30/20
 - Sick and family leave for which a credit is allowed under stimulus
- Don't pay anyone to put application together (collect fee from lender)
- If using online lenders, use one that is a BBOR signatory