



SBA Paycheck Protection Program Begins Accepting Applications

New Guidance Released

The [Coronavirus Aid, Relief, and Economic Security](#) (CARES) Act, signed into law on March 27th, contains \$376 billion in relief for American workers and small businesses. In addition to traditional SBA funding programs, the CARES Act established [several new temporary programs](#), including the Paycheck Protection Program, to address the COVID-19 outbreak. Many of these programs may be available to Inclusiv members and we are sharing some information on the programs and how to participate.

Please note: The SBA lending landscape continues to evolve and Inclusiv will do our best to keep our members updated. The updates below include guidance for lenders released late evening April 2, 2020 in the [SBA's Interim Final Rules](#). Please be sure to consult [the official SBA website](#) for the latest guidance.



Paycheck Protection Program

This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.

[Learn more](#)



EIDL Loan Advance

This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.

[Learn more](#)



SBA Express Bridge Loans

Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.

[Learn more](#)



SBA Debt Relief

The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

[Learn more](#)

What is the Paycheck Protection Program (PPP)?

Applications for the Paycheck Protection Program for small businesses and non-profit organizations will be accepted beginning today, April 3, 2020 until June 30, 2020, or funds are no longer available.

The Paycheck Protection Program ("PPP") authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. This Program is being administered by the Small Business Administration, with borrowers applying to eligible lending institutions. PPP loans are 100% SBA guaranteed loans.

The loan amounts will be forgiven 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
- Guaranty fees are waived and lenders will be compensated based on the loan amount. Please see the [Lender Guidance](#) for additional information

Who is eligible to make PPP loans?

All existing SBA-certified lenders will be given delegated authority to speedily process PPP loans. All federally insured depository institutions, federally insured credit unions, and Farm Credit System institutions are eligible to participate in this program.

A broad set of additional lenders can begin making loans as soon as they are approved and enrolled in the program. These new lenders will need to complete and submit the forthcoming Form 3506. New lender applications should be submitted to DelegatedAuthority@sba.gov to apply with the SBA. Inclusiv is still awaiting additional guidance on how non-SBA lenders may participate, but we will share Form 3506 with our members when it becomes available.

What if my credit union is not SBA approved? Can we still participate?

According to the Department of Treasury's [Lender Guidance](#). Credit unions that are not currently SBA approved may still participate. If your credit union is not currently an SBA lender and you are interested in making PPP loans to your members, please contact your local SBA district office. [Find your local SBA district office here.](#)

Inclusiv will share the necessary forms needed to become eligible once they are made available. *Stay tuned, as we will provide updates as we get them.*

How can borrowers find eligible PPP lenders?

Borrowers can locate eligible PPP lenders by using the [Lender Locator](#) on the SBA website.

Who is eligible to borrow under PPP?

The Department of Treasury issued the following [guidance for borrowers](#) interested in PPP. Small businesses with 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are considered Eligible Borrowers. Businesses with more than 500 employees are eligible in certain industries.

What are the PPP loan terms?

Loan Amount	Under the PPP, the maximum loan amount is the lesser of \$10 million or an amount that you will calculate using a payroll-based formula specified in the Act
Rate	Up to 100 bps
Maturity	Two Years
Guaranty	100% Guaranteed
Purpose	PPP loans may only be used for payroll and other qualifying operating expenses. Please see the Interim Rule for additional information.
Other Notes	Borrowers may receive only one loan under PPP. However they may also apply for capital under the other CARES Act SBA lending programs.

What information do borrowers need to apply?

- The PPP includes a streamlined application and underwriting process

- Borrowers may apply for PPP loans at eligible lending institutions
- While the form may be updated, the Treasury Department and SBA released an [application for borrowers](#) to start preparing materials

For further information...

Tune in to Inclusiv's **COVID-19 Crisis Town Hall** discussion next Tuesday (and weekly) at 1:15pm ET. **NCUA Chairman Rodney Hood** will be sharing his perspective on recent developments. Please [register here](#), if you have not participated in previous sessions of this webinar series.

About Inclusiv

At Inclusiv, we believe that true financial inclusion and empowerment is a fundamental right. We dedicate ourselves to closing the gaps and removing barriers to financial opportunities for people living in distressed and underserved communities. Inclusiv is a certified CDFI intermediary that transforms local progress into lasting national change. We provide capital, make connections, build capacity, develop innovative products and services and advocate for our member community development credit unions (CDCUs). Inclusiv members serve over 10 million residents of low-income urban, rural and reservation-based communities across the US and hold over \$112 billion in community-controlled assets. Founded in 1974, Inclusiv is headquartered in New York, NY, with offices in Madison, WI and Atlanta, GA. For more information about Inclusiv visit us at [Inclusiv.org](#) and connect with us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

Inclusiv was instrumental in establishing the CDFI Fund in 1994, is a permanent member of the national CDFI Coalition and is the CDFI and community finance authority for the credit union industry. Our member CDCUs represent over 10 million members in low-income communities across the US, representing the majority of all CDFI-certified credit unions. Today, CDFI certification is an essential credential for credit unions with a focus on financial inclusion. Inclusiv is the credit union industry's best resource for learning more about certification and technical and financial assistance grants. For more information on our advocacy on behalf of CDFI credit unions, [click here](#).



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