Paycheck Protection Loan Program and Advocacy Updates

Informational Webinar
Advocacy Help Needed Urgently

+ Increased funding for PPP Loans
+ Additional support for Nonprofits
+ Ability for larger Nonprofits to access CARES resources
+ Check follow-up email for how to contact your legislators

Learn More at JewishTogether.org | Reach out to SBALoans@jfna.org or call 212-284-6625
Rollout Experience So Far

+ Many organizations approved but many still in process
+ Banks are using varying forms, requirements
+ Be persistent and keep working with your bank
+ More funding likely to be added

Email SBALoans@jfna.org if you still need help connecting with a bank
Updated Guidance Issued by SBA

+ If your application has been processed you are done; relevant info ahead on use of funds and forgiveness

+ If application is still in process, you may adjust your submission; consult your accountant and bank

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Eligibility – New Factors

+ Organizations that use payroll providers (PEO’s) are eligible
+ Affiliated organizations that have separate EIN numbers may be eligible as separate entities
+ See updated FAQs for more on affiliation issues
+ Process for independent contractors and sole proprietors now open

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Calculating the Loan Amount

- You can use either 2019 or average payroll costs over preceding 12 months
- Do not include payments to independent contractors
- Exclusion of payroll costs above $100K is for cash compensation only; not benefits
- Payroll costs do not include employer’s share of federal payroll tax
- Seasonal businesses – lender can consider whether a seasonal borrower was operating 2/15/20 OR for 8-week period between 2/15/19 and 6/30/19

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Qualified Use of Loan

- 75% of loan must be used on payroll costs
- Mortgage interest and interest on debt originated before 2/15/20 are qualified uses (but only up to 25% of the loan)

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Forgiveness

+ Percent of forgiveness depends on payroll costs over an 8-week period beginning on date lender disburses funds to you (must be no later than 10 days from loan approval)

+ If you furlough or lay off employees and rehire, forgiveness affected by how quickly you staff up, because forgiveness is 100% based on your payroll expenses

+ You must apply to the bank for forgiveness after the 8-week period, with documentation of payroll and other costs; lender must decide on forgiveness within 60 days of submission

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Help is Available

+ Email SBALoan@jewishfederations.org if you have further questions or are having trouble processing through your bank

+ Webinar for independent contractors coming later this week

Q&A to come after next piece

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New “Main Street” Business Loan Program

+ Targeted to mid-size and other businesses and non-profits
+ Businesses and nonprofits with up to 10,000 employees eligible for loans up to $25 million
+ Like PPP loans, funds will be available through applications to banks, not government
+ Most details not yet determined by Treasury or Federal Reserve

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Basic Requirements (1/2)

+ Must attest you require financing due to the COVID-19 crisis, and will use proceeds to maintain payroll and retain employees during the term of the loan

+ $1 million minimum loan

+ 4-year maturity

+ Interest rates no higher than 2% per year but reflect risk and market conditions

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Basic Requirements (2/2)

+ Amortization of principal and interest deferred for one year
+ Prepayment permitted without penalty
+ Lenders are authorized to charge borrowers certain fees at set amounts
+ Unclear whether Treasury will require collateral or other commitments to secure loans

Unclear whether there is a forgiveness component or how it will work

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For More Information
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A GLOBAL CELEBRATION
Israel’s 72nd Independence Day
4.29
2PM ET