As promised, here is an important update regarding the Paycheck Protection Program (PPP) component of the CARES Act.

The Treasury has updated PPP loan information with more details and specifics regarding businesses that are excluded from consideration, primarily related to criminal activity. Below are the most notable updates:

- **Interest rate is fixed at 0.50%**
- **Maturity is 2 years**
- **Forgiveness:**
  - Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs
  - Applicants have until June 30, 2020 to restore full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020 to avoid a reduction in forgiveness

**When to apply:**

- Starting April 3, 2020 small businesses and sole proprietorships can begin applying and receiving loans through existing SBA lenders
- Starting April 10, 2020 independent contractors and self-employed individuals can apply for and receive loans through existing SBA lenders
- Additional lenders will be approved and available to make these loans soon.
- While the program is open until June 30, 2020 it is suggested that applicants apply ASAP. Even $349 billion is a finite amount!

The application includes further restrictions, and the loan will NOT be approved if any of the following are true:

- The business or any of its owners is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participating in the transaction by any Federal department or agency, or is presently involved in any bankruptcy;
- The business, any of its owners, or any business owned or controlled by any of them is delinquent or has defaulted in the last 7 years—and caused a loss to the government—on a direct or guaranteed loan obtained from the SBA or any other federal agency;
- Any owner with 20% or greater interest in the business (or an applicant who is an individual) is presently subject to indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or is presently incarcerated, on probation or on parole;
- Any owner with 20% or greater interest in the business (or an applicant who is an individual) has been convicted, pleaded guilty, pleaded nolo contendere, been placed on pretrial diversion or been placed on any form of parole or probation (including probation before judgment) within the last 7 years for any felony or misdemeanor for a crime against a minor;
- Any owner with 20% or greater interest in the business (or an applicant who is an individual) is not a US citizen or Lawful Permanent Resident.

The Treasury fact sheet is available here. Additionally, the application is available here.

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