



RISE UP

GIVING SUPPLIERS A HEAD START WITH LEVERAGING COVID-19 RESOURCES

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Small Business Administration (SBA) Webinar April 30

The following are a subset of questions and answers derived from the April 30 webinar with the SBA presenters.

FAQs

What is the average Payroll Protection Program (PPP) loan payout?

As part of the most recent \$310 billion in funding to the PPP, \$60 billion is allocated to small business lenders such as credit unions to ensure the small businesses with 10-15 employees have an opportunity to participate. Evidence that this allocation has been successful is the average loan value. For this recent wave, the average loan value was \$97,000 where it had been \$206,000 in the first wave. Learn more about the [PPP](#).

How are small businesses approved for the Payroll Protection Program (PPP)?

The SBA has a single calculation which is your company's average payroll and benefits from the past 12 months. Your PPP-approved lender will then perform a calculation of 2.5 x the average to provide 8 weeks of funding. The over 5,000 approved PPP lenders have delegated authority to make the loan determination and submittal to the SBA.

[View a list of lenders participating in the Paycheck Protection Program by state as of May 1, 2020.](#)

Is the Small Business Administration turning down any PPP loans?

The SBA is not turning down any PPP loan requests that have been vetted by one of the over 5,000 delegated authority PPP-approved lenders. The SBA system is automated to approve requests received from the PPP-approved lenders.

In regard to loan forgiveness, what if employees have fewer hours due to COVID-19?

The intent of government funding for the PPP is to provide payroll protection to employees, regardless of hours. An employee does not have to work their normal hours to get paid at the same level that they were prior to the COVID-19 shutdown. If you are not able to hit 75% of the forgiven amount by the end of 8 weeks; there will be a formula that allows a portion less than 100% to be forgiven. At the time of the webinar, this formula was not available.

Directly from the SBA PPP webpage

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of **1%**.

If you wish to begin preparing your application, you can download a copy of the [PPP borrower application form](#) to see the information that will be requested from you when you apply with a lender.

How can I access resources to help me prepare to re-open and navigate HR issues?

SBA has Resource Partners that have received additional funding to help you. Connect with a [Resource Partner](#) today.

Where can I learn more about the HUBZone changes mentioned on the webinar?

SBA has made it easier for qualified small businesses to participate in the HUBZone program. In 2020, SBA is implementing comprehensive changes to the program including improvements in three major areas. Learn more about HUBZone changes [here](#) and the [HUBZone Program Improvements FAQs](#).

Do you have a question? [Contact us](#).



Please refer to the [COVID-19 Supplier webpage](#) for the latest information & resources