

Update on PPP and Loan Forgiveness

I know that many business owners are paying close attention to announcements about the additional \$285 billion Congress approved for Paycheck Protection Program (PPP) loans for small businesses. Below are highlights of what we know, and we will share updates and details as we learn more.

- **First time borrowers.** In general, borrowers can have no more than 500 employees and their business must have been in operation as of February 15, 2020. The first loan can be up to 2.5 times the business' average monthly payroll costs, up to a \$10 million loan maximum.
- **Second-time borrowers.** Businesses can apply for a second PPP loan if they've spent or expect to spend the full amount of their first PPP loan before they receive funding for the second loan. In general, borrowers can have no more than 300 employees for this round of money. The second loan can be up to 2.5 times the business' average monthly payroll costs, up to a \$2 million loan maximum.
 - Accommodations and Food Services companies with NAICS code 72 can borrow up to 3.5 times the business' average monthly payroll costs, up to a \$2 million loan maximum.
 - All businesses applying for a second PPP loan must show that their business revenue declined by at least **25% in any quarter in 2020** compared to the same quarter in 2019.
 - Businesses can apply for a second loan whether or not they have requested forgiveness of the first loan.
 - WV Central FCU does encourage you to apply for forgiveness of the first loan before applying for the second round PPP Loan.
- These highlights will apply to many borrowers, but there are some exceptions. For full program details, visit [SBA.gov](https://www.sba.gov) and [Treasury.gov](https://www.treasury.gov).

Timing

Congress has set aside funds for new and smaller borrowers, borrowers in underserved communities, and for community and smaller lenders. So, the SBA will roll out the PPP program in phases:

- Some community and smaller lenders, expected to start January 11 (first loan) and January 13 (second loan).

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- All other participating lenders, including WV Central FCU, shortly after that.

How to prepare

- You may want to contact your accountant, attorney or other trusted advisors.
- To apply for the PPP Loan you would have had to be a member with WV Central FCU before February 15, 2020.
- To apply through WV Central FCU, you will need an active WV Central FCU business checking account. If you don't have one, make an appointment with one of our member service representatives today by [clicking here](#).

Paycheck Protection Update on Loan Forgiveness

We're encouraged to see businesses to start to rebound as states across the country reopen. We're staying in contact with the SBA and expect to start accepting Forgiveness request for the Paycheck Protection Program loans by mid-August. Remember you'll need to request Forgiveness through the lender that funded your PPP Loan.

With the changes still coming from SBA, please don't worry about rushing to apply for the Forgiveness. It's most important now to take the time to focus on your business and document your PPP spending through your covered period. We will email you when you can start your request through our online portal.

If there's a portion of your loan that is not forgiven, payments won't be due until after SBA has made their decision on your Forgiveness application or remits the funds, or after the end of your deferred period.

To begin your application for Paycheck Protection Loan Forgiveness please [click here](#). (This site requires TLS 1.3 - Please use the latest version of Microsoft Edge or Google Chrome for best results)

All of us from WV Central FCU hope you have a safe and enjoyable summer.

For more information, visit www.sba.gov