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## PRESS OFFICE

**Release Date:** April 3, 2020

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**Release Number:** 20-30

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## **SBA's Paycheck Protection Program for Small Businesses Affected by the Coronavirus Pandemic Launches**

### **One of Multiple Economic Relief Provisions to Protect Workers and Small Businesses**

**WASHINGTON** – The [U.S. Small Business Administration Administrator Jovita Carranza](#) today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President's signing of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.

“These loans will bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees,” SBA Administrator Carranza said. “We urge every struggling small business to take advantage of this unprecedented federal resource – their viability is critically important to their employees, their community, and the country.”

The loans, which are 100% backed by SBA, are being provided to small businesses without collateral requirements, personal guarantees, SBA fees, or credit elsewhere tests. Those eligible for the program include small businesses, certain non-profits, veterans' organizations, self-employed individuals, independent contractors, and other businesses meeting size standards based on their North American Industry Classification System code.

The Paycheck Protection Program's maximum loan amount is \$10 million with a fixed 1% interest rate and maturity of two years.

The loans are available to cover up to eight weeks of average monthly payroll (based on 2019 figures) plus 25% and payments are deferred for six months (interest does accrue). The SBA will forgive the portion of loan proceeds used for payroll costs and other designated operating expenses for up to eight weeks, provided at least 75% of loan proceeds are used for payroll costs. Eligible expenses for the eight-week forgiveness include:

- Payroll costs (excluding the prorated portion of any compensation above \$100,000 per year for any person. Payroll costs include salary, commissions, tips; certain employee benefits including sick leave and health care premiums, and state and local taxes;
- Mortgage interest (**not** prepayment or principal payments) and rent payments on mortgages and leases in existence after February 15, 2020;
- Utilities such as electricity, gas, water, transportation, phone and internet access for services that began before February 15, 2020; and
- Additional wages paid to tipped employees.

Visit [www.SBA.gov/Coronavirus](http://www.SBA.gov/Coronavirus) for additional resources about protecting your business, employees and customers.

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#### **About the U.S. Small Business Administration**

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit [www.sba.gov](http://www.sba.gov).