The Paycheck Protection Program offers:

- Protection from SBA for loans (a maximum of 75% of the borrower’s loan amount for payroll; commercial mortgage loan interest, rent, and utilities)
- At least 60% of the forgiven amount must be used to cover payroll costs of employees who were employed on February 15, 2020 or hired as of June 30, 2020
- A forbearance on principal and interest for six months after the date of disbursement if you apply for loan forgiveness during such period, until the SBA approves or denies forgiveness of the loan
- $0 in SBA quarterly payroll payments
- Loans are not repayable on an unauthorized personal guarantee from owners or shareholders
- Loans do not require any asset belonging to the business, its owners or shareholders to be collateralized

The application process for loans under the Paycheck Program through Popular has expired.

**ELIGIBLE BUSINESSES**

- Businesses that were in operations on or before February 15, 2020
- Business with more than $10 million in net worth
- Business under SBA’s size standards, according to the SBA
- Businesses that employ 500 or fewer employees
- Businesses that were in operations as of February 15, 2020

**BUSINESS INCLUSIONS**

- Payments for salaries, commissions, or similar compensation
- Payments for rent, utilities, and/or mortgage interest on real property
- Payments for utilities, including electricity, gas, water, telephone, internet service, and waste disposal
- Payments for sick leave
- Payments for leave

**BUSINESS EXCLUSIONS**

- Payments to independent contractors
- Payments for compensation, not to exceed $100,000 last year
- Payments for retirement benefits
- Payments for self-employment income
- Payments for sick, vacation, medical or family leave
- Payments for domestic partners
- Payments for dependent care benefits
- Payments for dependent care expenses
- Payments for life insurance
- Payments for long-term care
- Payments for PPE
- Payments for any other compensation, benefits, or expenses

**USE OF ELIGIBLE FUNDS**

- Payroll costs (for details, see section on business inclusions and exclusions)
- Utilities
- Payments for rent or other lease payments

**PAYLOAN AMOUNT CALCULATION**

<table>
<thead>
<tr>
<th>Business inclusions</th>
<th>Total business inclusions</th>
<th>Less: Business exclusions</th>
<th>Eligible business amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**EXAMPLE:**

- Payroll cost: $750,000
- Eligible amounts: $637,500

**PAYG Eligible:

| Loan amount | $637,500 |

That is, the annual total of $5,460,000 / 12 months = $455,000 x 2.5

**REASONS TO REDUCE THE FORGIVENESS AMOUNT**

The loan forgiveness amount must be reduced if you:

- Reduced the number of employees on your payroll compared with the previous calendar quarter
- Reduced the amount of total payroll covered compared with the previous calendar quarter
- Reduced annual gross receipts (net of exclusions) compared with the previous calendar quarter

**CALCULATING PAYG REDUCTION DUE TO BUSINESS REDUCTION**

<table>
<thead>
<tr>
<th>Business inclusions</th>
<th>Payroll cost (used to calculate the loan)</th>
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<tbody>
<tr>
<td></td>
<td>$750,000</td>
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<table>
<thead>
<tr>
<th># of employees</th>
<th>Total payroll cost (net of exclusions)</th>
<th>Excess payroll cost</th>
<th>Reduction in payroll cost due to business reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2020</td>
<td>$750,000</td>
<td>$750,000</td>
<td>$0</td>
</tr>
<tr>
<td>February 15, 2020</td>
<td>$750,000</td>
<td>$750,000</td>
<td>$0</td>
</tr>
<tr>
<td>March 1, 2020</td>
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<td>$0</td>
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**CALCULATING PAYG REDUCTION DUE TO REDUCTION IN SALARIES**

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<th>Payroll cost (used to calculate the loan)</th>
<th>Average of full-time employees</th>
<th>Reduction in average full-time employees</th>
<th>Reduction in full-time employees compared with the previous calendar quarter</th>
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