

## Additional Information Under the Paycheck Protection Program

**For current SBA borrowers, below is a reminder of the original covered period options and the payment deferral period:**

- The 3508, 3508EZ and 3508S forms display an expiration date of 10/31/2020. However, this is not the deadline for application. Borrowers may submit loan forgiveness any time before the maturity date of the loan, which is either two or five years from the loan application. Please check your note or the date.
- Per current legislation on the PPP, the loan forgiveness covered period is the 24-week period beginning on when your PPP loan was disbursed. If your PPP loan was made before June 5, 2020, you may elect an 8-week covered period beginning on when your PPP loan was disbursed.
- You have up to 10 months after the end of your loan forgiveness covered period to submit the loan forgiveness application to us, along with any other required documentation.
- After the forgiveness application is received, Colorado Lending Source, as your lender, and the SBA have up to a combined 150 days or approximately 5 additional months to make a decision on the forgiveness application.
- You will not have to make any payments of principal or interest on the PPP loan before the date on which SBA either remits the forgiven amount to Colorado Lending Source as your lender, or notifies us that a reduced or no forgiveness is allowed.
- Example: A business' PPP loan was disbursed on June 25, 2020, the 24-week covered period ends on December 10, 2020. The business would then need to submit a forgiveness application to the lender by October 10, 2021. The lender and SBA would then have up to March 9, 2022 to inform the borrower of the determined forgiveness, before any payment would be required. This assumes that the full loan amount was not approved. If the borrower did not submit the forgiveness application by October 10, 2021, then payments would begin following this date.

### **PPP General Program Details:**

- \$350 billion to support loans to small employers with more than one physical location that employ more than 500 employees in certain industries to be eligible and is below a gross annual receipts threshold plus those that meet the SBA size standards
- Loan size will equal 250% of an employer's average monthly payroll with a maximum loan amount of \$10 million
- Covered payroll costs include salary, wages, and payment of cash tips, employee group health care benefits (including insurance premiums, retirement contributions, and covered leave) in addition to mortgage, rent, and utility payments
- Loans will be available immediately through existing SBA-certified lenders
- The portion of the loan used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven
- Interest rates are fixed at 1%
- At least 60% of loan proceeds need to go to payroll expenses in order to maximize potential loan forgiveness.

*For full guidance on the Paycheck Protection Program, please visit the U.S. Department of Treasury website.*

