



July 6, 2020

Why to Apply for the Paycheck Protection Program

Many businesses did not apply for the Paycheck Protection Program (PPP) during the first round of funding for a variety of reasons. On Saturday, July 4th, President Trump approved to extend the Paycheck Protection Program application deadline until August 8, 2020. With the additional time to apply for funding, it is imperative for companies to apply now before funding runs out. Here are some common reasons why businesses have not applied, and why it is important to submit your application and information as soon as possible:

Q: Why should I apply if the initial round of funding ran out of money?

A: It is estimated that \$130 billion of the \$659 billion approved by Congress is still available. With the application deadline extended until August 8th, now is the time to submit your application.

Q: How do I apply with the confusing requirements and application process?

A: EHTC has helped numerous businesses to apply for the PPP loan. The Small Business Association (SBA) has clarified the process and EHTC is here to help. Call (616) 575-3482 to leave a message or email info@ehtc.com for assistance in completing your application and gathering all required documents.

Q: Why should I consider applying?

A: During this global pandemic, businesses will need to revise budgets, forecasts, and cash flow statements to see how they will affect the business over the next 3, 6, or 12 months. By using the money per the SBA's Loan Forgiveness criteria (<https://www.sba.gov/document/support--ppp-interim-final-rule-requirements-loan-forgiveness>), the loan will provide you with the financial resources to get your business back up to speed.

Q: I am afraid I have to have debt after the crisis is over and do not want to make loan repayments:

A: The PPP Flexibility Act made the following changes to the Paycheck Protection Program guidelines to enable more businesses to receive full loan forgiveness. These changes include:

- Allowing forgiveness for expenses to 24 weeks or until the end of the year, whichever comes first, while also extending the rehiring deadline
- Increasing the current limitation on nonpayroll expenses for loan forgiveness to 40 percent
- If less than 60% of the loan proceeds are used for payroll, the loan will be partially forgiven
- Loan terms have increased to 5 years
- Ensuring full access to payroll tax deferment for businesses that take PPP loans

Q: What if my business has not opened yet?

A: With the forgiveness for expenses extended to the 24-week period, businesses can apply even if they are not running at full capacity with employees yet. With the unemployment benefits offered to the self-employed or a business' employees, it often did not make sense to bring employees back. To apply for funds and use them prior to the end of the year, businesses do not need to rehire all employees laid off or restrict your firing or rewarding of employees. Having the funds available to your business is important, and the window to apply for the PPP loan is quickly closing. Contact EHTC at info@ehtc.com or leave a message at (616) 575-3482 for assistance to ensure your information is submitted prior to the August 8th deadline.