

The Department Of Treasury Posts Application Form For Paycheck Protection Program Loan As Well As More Specific Guidance On Program

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On March 31, 2020, the U.S. Department of the Treasury (Treasury) published the Paycheck Protection Program Application Form together with additional clarifications and guidance on program loans. The application form can be [found here](#) and the published Paycheck Protection Program Information Sheet for Borrowers published by Treasury can be [found here](#).

Notably, the referenced information sheet clarifies the following (which, in some cases, is a bit different than the language of the statute and seems to indicate the direction that the SBA's enabling regulations are headed):

- It is anticipated that no more than 25% of the forgiveness amount may be used for non-payroll purposes.
- Loan payments will be deferred for 6 months (the CARES Act stated that the deferment would be no less than 6 months and up to 12 months – it seems clear that 12-month deferments won't be an option). Also, while payments are to be deferred for the 6 months, interest will accrue during that deferment period.
- The interest rate will be 0.50% (far more favorable than the 4.00% not to exceed rate referenced in the CARES Act).
- The term of the loan (for any portion not forgiven) will be 2 years (tighter than the “maximum maturity” of 10 years referenced in the CARES Act).
- Small businesses and sole proprietorships can apply by submitting the application to an SBA approved lender beginning **Friday, April 3, 2020**.
- Independent contractors and self-employed individuals can apply by submitting the application to an SBA approved lender beginning **Friday, April 10, 2020**.

NOTE: As the loan program is likely to be “first come, first served” and because demand is expected to be extraordinarily high, it is highly recommended that qualifying businesses and individuals apply ASAP.

