The Paycheck Protection Program is part of the $2 trillion federal stimulus package passed by Congress on March 27 to support America's small businesses. The program extends low-interest loans of up to $10 million to eligible businesses, a portion of which may not need to be repaid.

**Who's eligible?**

- Businesses with 500 or fewer employees that were operating on or before Feb. 15, 2020, plus:
  - Eligible non-profit organizations
  - Veterans organizations
  - Tribal business concerns
  - Sole proprietorships and self-employed individuals
  - Independent contractors

**How much can I borrow?**

Loan amount maximum is determined by a formula based on

\[
\text{Loan amount} = \text{average monthly payroll costs} \times 2.5
\]

\(\text{or up to } \$10 \text{ million}\)

Most businesses:

Average monthly payroll for 2019, excluding costs over $100,000 on an annualized basis for each employee

Seasonal businesses:

Average monthly payroll from Feb. 15 to June 30, 2019, excluding costs over $100,000 on an annualized basis for each employee

New businesses:

Average monthly payroll from Jan. 1 to Feb. 29, 2020, excluding costs over $100,000 on an annualized basis for each employee

**What payroll costs are included?**

- Salary, wages, commissions, or tips (capped at $100,000 on an annualized basis for each employee)
- Employee benefits including costs for vacation, parental, family, medical, or sick leave
- Payments required for group health care benefits including insurance premiums
- Payments of state and local taxes assessed on compensation
- Allowances for separation or dismissal
- Payment of any retirement benefit

**Can this loan be forgiven?**

A borrower is eligible for loan forgiveness equal to the amount the borrower spent on the following items during the 8-week period beginning on the date of the origination of the loan:

- Payroll costs
- Mortgage interest
- Rent
- Utilities payments

**What are the terms?**

- 6-month deferment on payments followed by 18 months of Principal & Interest
- 1% APR
- 24 mo. loan term

**How do I prepare?**

- Gather ownership information, including your Tax Identification Number and breakdown of ownership.
- Scan PDF copies of 2019 and 2020 year-to-date payroll reports.

**What else should I know?**

Eligibility is limited to one loan per Tax Identification Number. Forgiveness would be reduced if headcount decline or wages fall by more than 25% for any employee that made less than $100,000 in 2019. Businesses have until June 30, 2020 to rehire employees and restore salaries.

Please check our website at www.mtb.com/business-informed for updates.