MEMORANDUM

TO: VVA State Council and Chapter Presidents
FROM: Jack McManus, VVA National Treasurer
DATE: 7 April 2020
RE: Paycheck Protection Program (PPP)

As we enter into these uncertain times, VVA National wants to make sure you are aware of the Paycheck Protection Program (PPP), which provides cash-flow assistance through 100% federally guaranteed forgivable loans to small businesses during the COVID-19 crisis. Any small business, including 501(c)(19) organizations, with 500 employees or less can apply. For more detailed application and program requirements, we encourage you to visit www.sba.gov and reach out to your local participating bank as soon as possible. General information about the PPP is below.

What can I use the loan for? (1) payroll costs, including benefits; (2) interest on mortgage obligations; (3) rent; and (4) utilities.

How large can the loan be? Loans can be up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount.

How much of my loan will be forgiven? The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities over the 8 weeks after getting the loan. At least 75% of the forgiven amount must have been used for payroll. You will also owe money if you do not maintain your staff or decrease salaries and wages.

What is the terms of the loan? The loan has a maturity of 2 years and an interest rate of 1%. Loan payments will be deferred for six months; no collateral or personal guarantees are required.

Where can I apply? You can apply through any existing SBA lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. VVA encourages you to contact your local bank to see if it is participating. For a list of SBA lenders, visit www.sba.gov.

What do I need to apply? You will need to complete the PPP loan application and submit the application with the required documentation to an approved lender. The application can be found here: https://www.sba.gov/document/sba-form--paycheck-protection-program-borrower-application-form.