



## **SBA PAYCHECK PROTECTION PROGRAM**

*An SBA loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis.*

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### **About**

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll.

SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

Lenders may begin processing loan applications as soon as April 3, 2020. The Paycheck Protection Program will be available through June 30, 2020, pending available funds.

### **Participating Lenders**

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program.

The following is a list of known participating lenders in the Fredericksburg region:

- [Atlantic Union Bank](#) (*existing business customers only*)
- [Carter Bank & Trust](#)
- [John Marshall Bank](#) (*priority to existing business customers*)
- [PNC Bank](#) (*existing business customers only*)
- [Radius Bank](#)
- [F&M Bank](#)
- [SonaBank](#)
- [Wells Fargo Bank](#) (*existing business customers only*)
- [Virginia Partners Bank](#)
- [Truist Bank](#) (*existing business customers only*)
- [First Citizens](#)
- [Community Bank of the Chesapeake](#)
- [United Bank](#)



### **Who Can Apply**

The following entities affected by Coronavirus (COVID-19) may be eligible:

- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
  - 500 employees, or
  - That meets the SBA industry size standard if more than 500
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location
- Sole proprietors, independent contractors, and self-employed persons

### **Loan Details and Forgiveness**

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

This loan has a maturity of 2 years and an interest rate of 1%.

If you wish to begin preparing your application, you can download a copy of the PPP borrower application form to see the information that will be requested from you when you apply with a lender.

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