



Small Business Administration Interim Final Rule Paycheck Protection Program

On April 2, 2020, the Small Business Administration (SBA) issued an interim final rule on the Paycheck Protection Program (PPP), which can be found on the Small Business Administration [website](#). Highlights from the interim final rule are listed below:

Information for Borrowers

- The interest rate was raised from 0.50 percent to 1 percent.
- The loan maturity date will be two years.
- The deferment period will be 6 months.
- The SBA will provide additional guidance on affiliation and loan forgiveness.
- If a borrower misuses funds, they can be held liable for fraud.
- Provides a list of businesses ineligible for PPP loans.
- Excludes Federal employment taxes from the definition of payroll.
- Outlines PPP loan amount calculation requirements and provides calculation examples.
- Clarifies that independent contractors do not count as employees for the purposes of a borrower's PPP loan calculation because independent contractors can apply for a PPP loan on their own.
- Requires that 75 percent of the amount of the loan to be used on payroll costs for forgiveness.
- Ensures that a borrower is eligible to refinance their Economic Injury Disaster Loan (EIDL) into a PPP if the borrower received the EIDL between January 30, 2020 and April 3, 2020.
- Allows a good faith estimate by a business on whether the business was in operation on February 15, 2020 with employees on payroll, economic uncertainty, and other requirements.

Information for Lenders

- Lenders will not be required to verify a business' documentation for loan forgiveness as long as the business attests to accuracy.
- Limits a lender's underwriting requirements to those items listed on the business application form.
- Confirms that the SBA will pay processing fees to lenders.
- Ensures the SBA will be able to purchase PPP loans in advance.