

Paycheck Protection Program



Beginning April 3, Small Business clients may be eligible for financial relief through the **Coronavirus Aid, Relief, and Economic Security (CARES) Act**. The Paycheck Protection Program is a federal relief program established by Congress and implemented by the U.S. Treasury Department and the Small Business Administration (SBA) with rules, requirements, protocols and processes that all participating banks, including Bank of America, must follow. In order to ensure an orderly flow of these government-provided funds, we will follow the intent of the U.S. Treasury guidance, including what has been posted at the U.S. Treasury website, that small businesses that apply should do so with their current business loan provider.

Eligible clients should be aware of the following important items:

1. You must have a pre-existing business lending and business deposit relationship with Bank of America, as of February 15, 2020. A Bank of America Business, **corporate or commercial** Credit Card, line of credit or loan may be the lending product used.
2. At Bank of America, the federal Paycheck Protection Program will be administered online only.
3. Clients must have a Business Online Banking account. If you do not currently have a Business Online Banking account you must sign up for one as soon as possible.
4. Apply for the federal Paycheck Protection Program at www.bankofamerica.com/SBResources beginning on Friday, April 3.
5. After completing the application process, you will receive online confirmation of the submission. Bank of America will process your application as soon as possible.
6. We will contact you with next steps and to collect any required documents. Do not proactively deliver or send documents to our Financial Centers or banking teams.
7. You will be notified of the status of your loan application through email communications. Information about your application status will NOT be available through our Financial Centers or Contact Centers – due to the nature of this loan process and the steps involved.
8. To prepare for your application process, review requirements listed on the U.S. Treasury website <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>. These include:
 - a. **2019 Payroll** – total payroll for full year 2019 (or seasonal), by employee, as reported to the IRS.
 - b. **2019 Independent Contractor Costs** – Listing of 1099's-MISC for 2019 independent contractors, by person, as reported to the IRS. (Note: Do NOT include 1099's for services)
 - c. **2020 Payroll** – total payroll for January 1, 2020 through February 29, 2020 by employee (for businesses not in business between February 15, 2019 and June 30, 2019)
 - d. Other information

Small Business owners who do not have both a business lending and a business deposit relationship with us should contact their current business loan provider as soon as possible, if they plan to apply for the federal Paycheck Protection Program.



Under the CARES Act:

- The program will be available to businesses with 500 or fewer employees to help with payroll, rent, utilities, healthcare costs and more.
- Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. The loan amount is capped at \$10 million.
- Loans will be forgiven up to the loan amount for a borrower's payroll, rent, mortgage, and utility costs incurred and paid during an eight-week period after a loan is originated.
- Loan forgiveness will be reduced to the extent of a) any reduction in employee headcount during this period (as compared to the prior year), and b) any reduction in pay of an employee by more than 25% (as compared to their prior year compensation). Borrowers that rehire workers will not be penalized for paying them less when they are rehired.
- The SBA also expanded Emergency Economic Injury Disaster Loans.