

## **Independent Contractors and Self-Employed Individuals Stimulus PPP Update**

The U.S. Small Business Administration (SBA), in conjunction with the third Stimulus Package (CARES Act) that was signed into law on March 27, 2020, announced plans to coordinate with states to provide low-interest loans to small businesses and nonprofit organizations that have been greatly impacted by COVID-19 through its newly created Payment Protection Program (PPP).

The PPP offers loans of up to 2.5 times average monthly payroll costs, with a cutoff of \$100,000 per year for cash compensation. Upon receipt of the loan, ***payments will be deferred for six months***. Loan amounts ***may also be completely forgiven***, so long as the loan proceeds are used to cover payroll costs, mortgage interest, rent, and utility costs over the eight-week period after the loan is made, and employee and compensation levels are maintained.

The federal government initially authorized the SBA to provide \$349 billion in relief to the PPP under the CARES Act. The initial application period opened on April 3, 2020, to small businesses and sole proprietorships. However, upon the opening of the application period, it was quickly realized that the initial authorization amount was insufficient to meet the needs and demands of small business owners, including our own firm owners. Currently, the government is considering a new initiative to allot an additional \$250 billion in funds to the PPP to provide more independent contractors and small businesses with the opportunity to receive loans. *As soon as this initiative passes, we will make sure to keep you informed.*

*Last Friday, on **April 10, 2020**, the PPP application process opened to **independent contractors** and **self-employed individuals** to allow them to apply for loans to cover payroll and other certain expenses through already-existing SBA lenders, any federally insured depository institution, or any federally insured credit union.*

To apply for a loan through the PPP, eligible borrowers should fill-out the [Payment Protection Application](#) or contact a registered [SBA lender](#) to start the application. The application and necessary documentation must be sent to an approved lender by **June 30, 2020**, in order to qualify.

For detailed information on the PPP and loan forgiveness, the U.S. Treasury Department has provided a helpful [PPP information sheet for borrowers](#).

For more detailed information regarding the Payment Protection Program (PPP), please also visit the [U.S. Committee on Small Business & Entrepreneurship's PPP FAQs](#).