

Loans You Do Not Have to Pay Back

By Scott Kaup

It's true.

I would never have thought this was coming.

But, it's here.

Paycheck Protection Program Application Form		OMB Control No.: 3245-0407 Expiration Date: 09/30/2020	
Non-Profit <input type="checkbox"/> Vet Org <input type="checkbox"/> Tribal <input type="checkbox"/> Ind. Cont. <input type="checkbox"/> Self Employed <input type="checkbox"/>		DBA or Tradename if applicable	
Business Legal Name			
Business Primary Address		Business TIN (EIN,SSN)	Business Phone
		() -	
		Primary Contact	Email Address
Average Monthly Payroll:	\$	X 2.5 equals Loan Amount:	\$
Purpose of the loan (select more than one):	<input type="checkbox"/> Payroll <input type="checkbox"/> Rent / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Other (explain):		
Applicant Ownership			
List all owners of Applicant with greater than 20% ownership stakes. Attach a separate sheet if necessary.			
Owner Name	Title	Ownership %	TIN (EIN,SSN)
<i>If questions (1) or (2) below are answered "Yes," the loan will not be approved.</i>			
Question	Yes	No	
1. Is the Business or any owner presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Has the Business, any of its owners, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Is the Business or any owner an owner of any other business or have common management with any other business? If yes, attach a listing of all Affiliates and describe the relationship as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>	
4. Has the Business received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Applicants who are individuals and all 20% or greater owners of the business must answer the following questions. If questions (5) or (6) are answered "Yes" or question (7) is answered "No," the loan will not be approved.</i>			
Question	Yes	No	
5. Are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, on probation or parole?	<input type="checkbox"/>	<input type="checkbox"/>	
Initial here to confirm your response to question 5 →			
6. Within the last 7 years, for any felony or misdemeanor for a crime against a minor, have you: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?	<input type="checkbox"/>	<input type="checkbox"/>	
Initial here to confirm your response to question 6 →			
7. <input type="checkbox"/> I am a U.S. Citizen OR <input type="checkbox"/> I have Lawful Permanent Resident status <input type="checkbox"/> No			
Initial here to confirm your response to question 7 →			

1) Making sure you get the maximum amount might not be easy

The calculation of how much you can borrow sounds simple... 2.5x your average monthly payroll.

But there's more to it than that.

1099 contractors, should they be added? What if you didn't issue 1099's? Should you now and pay the penalty?

People making over \$100k? Are you excluding them?

We have a calculator we created to determine how much you can borrow.

The lenders may have their own calculation, they may ask you for more details.

We want you to be ready.

2) **[MOST IMPORTANT]** Making sure you qualify for forgiveness so you don't have to pay it back:

You need documentation:

1. verifying the number of full-time equivalent employees on payroll
2. the dollar amounts of payroll cost
3. covered mortgage interest payments
4. covered rent payments
5. covered utilities
6. AND all funds must be disbursed within 8 weeks

And if any of that goes wrong, it turns into a REAL LOAN you have to pay back.

If you want us to walk you through the process step-by-step, reach out to Ben or Scott.

Disclaimer: *The bill has recently passed, and we are learning more every single hour about how this bill will be implemented and the interpretations of each component.*

Thanks,

Scott Kaup, CFP®

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