

Think you are not eligible to receive a PPP loan? Think Again!

Dispelling 9 Myths About the PPP

01

The PPP is a loan. I cannot and do not want to take on more debt. The PPP is different from a traditional loan or debt as a COVID-19 emergency relief program. The loan is designed to be forgiven, meaning it would not have to be paid back if used for the specific, eligible uses. If for some reason it is not 100% forgiven—for example, if you used more than the eligible amount on rent instead of payroll—it can still be **partially forgiven** based on how much you **have** spent on payroll. The balance of the loan will be turned into a 1%-interest, 5-year term loan, which is still very favorable.

02

Small businesses that already applied for a PPP loan cannot apply for another one before their existing loan is forgiven. Existing PPP borrowers can apply for the PPP Second Draw as long as they have used up the current funds or have plans to do so before the second loan is disbursed.

03

The PPP is too complicated; and everything is done online! Both the application and forgiveness process may seem complicated, but the MEPPPAI can help (in 7 languages)! In 2020, we helped over 400 small businesses obtain an estimated \$4.5 million in PPP loans. **If you have all the documents ready, the online application process usually takes as little as 30 minutes!**

04

All of the funding is going to large, well-connected businesses. Minority-owned businesses and microbusinesses are locked out. The new PPP caps First Draw loans at \$10 million and Second Draw loans at \$2 million in an effort to allow more businesses to access the PPP. **In fact, from February 24 – March 10, only businesses with fewer than 20 employees can apply for loans for a two-week period.**

05

I am a sole proprietor, and I don't have payroll. I don't qualify for the Paycheck Protection Program. The way loans are calculated has been revised so businesses without employees get more relief. The Biden administration is setting aside \$1 billion in PPP loan funds for businesses without employees in low- and moderate-income areas.

06

I haven't done my taxes for 2020 yet. I cannot apply. Documentation needed to support the loan application may include payroll records (Form 940 or quarterly 941s) and tax returns from 2019 or 2020. 2020 financial reports (such as Profit and Loss statements) can also be used. You do not have to have finished your 2020 tax returns to apply.

07

I have a felony conviction. I am not eligible to apply for a PPP loan. Business owners with non-fraud felony convictions can now access the PPP program.

08

I am delinquent on my federal loans. I am not eligible to apply for a PPP loan. Business owners who are delinquent on federal student loans can now access the PPP program.

09

I do not have a social security number. I am ineligible to apply for a PPP loan
Non-citizen small-business owners who are lawful U.S. residents may apply for loans using individual taxpayer identification numbers.

Get free help from the Massachusetts Equitable PPP Access Initiative bit.ly/equitablePPPHome

This program is sponsored by:

LISC BOSTON

SMALL BUSINESS STRONG

Small Business Strong is partnering with LISC Boston and the MEPPPAI on this campaign to extend and leverage the initiative's collective capacity and helping more businesses access forgivable PPP loans.

DISCLAIMER: PPP program information presented here is subject to revisions by the U.S. Small Business Administration (SBA). Please refer to www.sba.gov, and SBA publications for the most up-to-date guidance and detailed rules.