

Paycheck Protection Program: Factors for Considering a Loan

Event
Webcast
April 2, 2020

Business leaders, interested in what many are referring to as “free money”? We hosted a complimentary webinar for Wisconsin businesses — borrowers and lenders — navigating the emergency loans recently made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Act allocated \$350 billion to help the hospitality industry and employers with fewer than 500 employees keep their workers employed during the pandemic and its inevitable aftermath.

Known as the Paycheck Protection Program, these emergency loans provide 100% federally guaranteed loans to small businesses. If borrowers maintain or otherwise restore their payrolls, these loans may be forgiven.

What do you need to do to prepare for use of these loans? Corporate and Commercial Finance attorneys Larry Glusman, Mark Kmiecik and Mike Van Someren held a webcast addressing the gamut of questions that need to be considered as you weigh your eligibility, whether to borrow, and how much to borrow. Topics included:

- Computing the maximum loan amount
- Forgivable uses of loan proceeds
- Reduction in forgivable amount for reducing employee headcount or payroll
- Re-hiring employees to capture forgiveness
- Basic loan terms
- Taxability of cancellation of debt (COD)
- Interaction with other SBA disaster loan programs
- Interaction the employee retention tax credit and payroll tax deferral in the CARES act
- Interaction with the payroll tax credit to for employee sick leave in the Families First Coronavirus Response Act

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