SBA Paycheck Protection Program

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“SBA Paycheck Protection Program”

- **Banco Popular** es un *Preferred Lender* de la *Small Business Administration* (SBA) y tiene disponible el Programa de Protección de Nómina (Paycheck Protection Program o PPP), entre otras alternativas de financiamiento a través de la SBA.

- **La fecha límite para solicitar es 30 de junio de 2020.** El programa estará disponible mientras los fondos autorizados por el Coronavirus Aid, Relief, and Economic Security Act (CARES Act, por sus siglas en inglés) estén disponibles.

El Programa de Protección de Nómina

OFRECE

- La posible condonación de una porción del préstamo al prestatario por parte de la SBA si es utilizado para nómina, intereses sobre hipotecas comerciales, renta y utilidades
- Por lo menos el 75% de la cantidad de la condonación debe haberse utilizado para costos de nómina
- Una tasa de interés para la porción no condonada de 1% a un término de 18 meses
- Moratoria en el pago de principal e intereses por los primeros 6 meses
- $0 pago del *guaranty fee* de la SBA
- No requiere una garantía personal e ilimitada de los dueños o accionistas
- No requiere como colateral ningún activo del negocio, sus dueños o accionistas

Negocios Elegibles

- Negocios que estaban operando el 15 de febrero de 2020
- Emplean 500 empleados o menos
- Negocios con más de 500 empleados que cumplen con los estándares de pequeño negocio, según la SBA
- Restaurantes y hospederías (cualquier negocio bajo NAICS 72) - la regla de 500 empleados o menos aplica a cada una de sus instalaciones físicas
- Negocios de un solo dueño
- Individuos que operan como contratista independiente
- Individuos que trabajan por cuenta propia y utilizan nombre comercial
- Entidades sin fines de lucro cualificadas bajo la sección 501(c)(3) u organizaciones de veteranos 501(c)(19) que cumplen con los estándares de pequeño negocio, según la SBA

Uso de Fondos Elegibles

- Costos de nómina elegibles (inclusiones y exclusiones para negocios)
- Renta
- Utilidades
- Pago de intereses de préstamos existentes, tales como: préstamos hipotecarios comerciales u otros préstamos comerciales, incluyendo SBA

Costos de Nómina Elegibles

Inclusiones para Negocios:

- Salarios, comisiones o cualquier compensación similar
- Propinas o cualquier pago similar
- Pagos por licencias de enfermedad, vacaciones, médica o familiar
- Pagos (*allowance*) por despidos o cesantías
- Pagos de seguro médico grupal
- Pagos por beneficios de retiro
- Impuestos estatales o locales retenidos al empleado

Inclusiones para negocios de un solo dueño, individuos que operan como contratista independiente e individuos que trabajan por cuenta propia utilizando un nombre comercial

- Suma de toda compensación o ingreso recibido como salario, comisión, ingreso neto o cualquier compensación similar, no mayor de $100,000 en el último año.

Exclusiones para Negocios:

- Compensación a empleados o dueños en exceso de salario anual de $100,000
- Impuesto patronal de nómina
- Contribuciones sobre ingreso
- Compensación de todo empleado cuya residencia principal sea fuera de Estados Unidos o sus territorios
- Créditos por licencia de enfermedad, obtenidos bajo la ley 116-5-127 del *Families First Coronavirus Response Act*

Cálculo de la Cantidad del Préstamo

Cantidad máxima del préstamo = 2.5 veces x el promedio de los costos de nómina incurridos durante el último año de la solicitud del préstamo o $10 millones, lo que sea menor.

Total de INCLUSIONES - Total de EXCLUSIONES = Costos de NÓMINA

EJEMPLO:

	Cálculo de la cantidad del préstamo		
	Total Anual	Promedio Mensual	2.5 veces
Costo Nómina (neto de exclusiones)	$3,6000,000	$300,000	$750,000
Cantidad del Préstamo			**$750,000**

Es decir, el total anual de $3,600,000 / 12 meses = $300,000 x 2.5

Condonación del Préstamo

- **Razones para la condonación del préstamo**
  - La condonación se dará si el negocio mantiene o vuelve a contratar, rápidamente a los empleados para mantener los niveles salariales.
  - El préstamo podrá ser condonado en tu totalidad si los negocios demuestran que el préstamo fue usado para cubrir los costos de nómina, intereses sobre hipotecas comerciales, renta y utilidades. Por lo menos el 75% de la cantidad de la condonación debe haberse utilizado para costos de nómina.
- **Razones para reducir la cantidad de la condonación**
  - La cantidad de condonación al préstamo será reducida si el negocio disminuye la cantidad de empleados o disminuye la nómina en 25% o más.

Cálculo de Reducción por Disminución de Empleados o Disminución en Salarios

Cálculo de la reducción de condonación por disminución de empleados:

Costos de NÓMINA (usado para calcular el préstamo) X Promedio de empleados a tiempo completo por 8 semana a partir de la fecha del cierre del préstamo ÷

OPCIÓN 1: Promedio mensual de empleados a tiempo completo del 15 de febrero de 2019 al 30 de junio de 2019

OPCIÓN 2: Promedio mensual de empleados a tiempo completo del 1ro de enero de 2020 al 29 de febrero de 2020

Cálculo de la reducción de condonación por disminución en salarios:

Costos de NÓMINA (usado para calcular el préstamo) - La cantidad de la reducción en los salarios que sea mayor a 25% en comparación con el trimestre más reciente

Documentación requerida

- SBA Form 2483
- Addendum - A (SBA From 2483)
  - Información de Afiliadas (nombre, número de empleados y promedio de los ingresos brutos de los últimos 3 años por cada afiliada, en los casos que aplique)
- Documentos requeridos para la evidencia de pago de nómina
  - Hacienda 499 R-3 o 940 IRS *Annual Form* para Patronos que pagan nóminas con descuento
  - Planilla 2018 para Negocios de un solo Dueño, Contratistas Independientes e Individuos que trabajan por cuenta propia y utilizan un nombre comercial (DBA)
- Hoja de Cálculo: *PPP Calculation WorkSheet*

Ejemplo de documentos

Solicitud – SBA Form 2483

Paycheck Protection Program
Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: ❑ Sole proprietor ❑ Partnership ❑ C-Corp ❑ S-Corp ❑ LLC ❑ Independent contractor ❑ Eligible self-employed individual ❑ 501(c)(3) nonprofit ❑ 501(c)(19) veterans organization ❑ Tribal business (sec. 31(b)(2)(C) of Small Business Act) ❑ Other	**DBA or Tradename if Applicable**
Business Legal Name	

Business Address	Business TIN (EIN, SSN)	Business Phone
		( ) -
	Primary Contact	**Email Address**

Average Monthly Payroll:	$	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	$	Number of Employees:	
Purpose of the loan (select more than one):	☐Payroll ☐Lease / Mortgage Interest ☐Utilities ☐Other (explain):________________				

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant 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?	☐	☐
2. Has the Applicant, any owner of the Applicant, 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?	☐	☐
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	☐	☐
4. Has the Applicant 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.	☐	☐

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → ______________	☐	☐
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 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)? Initial here to confirm your response to question 6 → ______________	☐	☐
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	☐	☐
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	☐	☐

Paycheck Protection Program
Borrower Application Form

<u>By Signing Below, You Make the Following Representations, Authorizations, and Certifications</u>

<u>CERTIFICATIONS AND AUTHORIZATIONS</u>

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

_____ The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

_____ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

_____ The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

_____ The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

_____ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

_____ During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

_____ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to $250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than $5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than $1,000,000.

_____ I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant	Date
Print Name	Title

Addendum-A - SBA From 2483

Does this organization have any affiliated entity with 20% or more equity ownership ?

If yes, please provide the affilliates information.

Affiliates Name	Tax-ID	# Emp.	Avg. Gross Sales Last 3 Yrs.
		-	$ -
		-	$ -
		-	$ -
		-	$ -
		-	$ -
		-	$ -
		-	$ -
		-	$ -

Comments

Payroll Cost Calculation Worksheet 2019

Customer Information

Company Name:		Tax-Id:		Total Employees 2019:	-

Inlcuded Payroll Costs (annual)

1.	**Total Wages** *Wages, commissions, or similar compensation; cash tips or the equivalent, payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal*	$ -
2.	**Payments for provisions of Group Health Care Benefits, incl. insurance premiums** *Refer to Form 480.7E Health Care Benefits Plan or Paid Invoice Evidence.*	$ -
3.	**Payment of any Retirement Benefit** *Refer to form SC6042 or Plan Administrator Certification.*	$ -
4.	**Payment of any Insurance premium in benefit of employee (Life, Disability, others)** *Refer to Form 480.7E Insurance Provider or Paid Invoice Evidence*	$ -
5.	**Payment of State Insurance Fund - (CFSE)** *Refer to Annual CFSE Form (Declaracion de Nomina).*	$ -
6.	**Payment of Sinot (Seguro de Incapacidad No Ocupacional)** *Refer to Quarterly PRSD-10 from PR Department of Labor for 2019 (4 in total).*	$ -
7.	**SUTA - State Unemployment Tax** *Refer to Quarterly PRSD-10 from PR Department of Labor for 2019 (4 in total).*	$ -
8.	**Payment of Chauffeur Insurance** *Refer to Quarterly Chauffeur Insurance Form for 2019 (4 in total).*	$ -
	Total Included Costs	**$ -**

Excluded Payroll Costs (annual)

1. Adjustment for employee with compensation in excess of $100,000	$ -
2. Federal Payroll Taxes	$ -
Federal employment taxes imposed or withheld between February 15, 2020 and June 30, 2020, including the employee's and employer's share of FICA (Federal Insurance Contributions Act) and income taxes required to be withheld from employees	
3. Compensation of an employee whose principal place of residence is outside the U.S.	$ -
4. Qualified sick leave for which credit is allowed under Relief Act	$ -
Qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116-5 127); or qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act	
Total Excluded Costs	**$ -**

Total Annual Payroll Costs

Total Annual Payroll Costs	$ -
Average Monthly Payroll	$ -
Multiplied by:	2.50
Loan based on Payroll	$ -
EIDL, Net of Advance *(Applies only to loans requested from January 31, 2020 until April 3, 2020)*	$ -
Sub-Total Allowed Loan	$ -
Maximum Allowed Loan ($10MM Cap if applicable)	$ -
Approximate Allowed Loan *(Rounded nearest hundred)*	**$ -**

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CARES Act - Payroll Protection Program Loan Amount and Estimated Loan Forgiveness

Program Overview

The CARES Act provides businesses with fewer than 500 employees, including sole proprietorships and non-profits, access to up to a $10 million loan through the "Covered Period", which runs from February 15, 2020 through June 30, 2020. The program includes a provision that allows these loans to be forgiven by the Small Business Administration ("SBA"). It is possible for the entire principal of the loan to be forgiven. Borrowers of this loan program will receive the loan

Critical Definitions:

1. "Maximum Loan Amount" is calculated as the lessor of:

A) $10,000,000
B) 2.5 times average monthly "Payroll costs" for the previous 12 months before the loan date

2. Payroll Included Costs:

A) Wages, commissions, salary or other similar compensation to an employee or independent contractor,
B) Payment of a cash tip or equivalent, Allowance for dismissal or separation,
C) Payment for vacation, parental, family, medical or sick leave,
D) Payment for group health care benefits, including premiums,
E) Payment of any retirement benefits, and
F) Payment of state or local tax assessed on the compensation of employees.

3. Payroll Not-Included Costs

A) The Compensation of any individual employee in excess of an annual salary of $100,000,
B) Payroll taxes,
C) Any compensation of an employee whose principal place of residence is outside the U.S., or
D) Any qualified sick leave or family medical leave for which a credit is allowed under the Coronavirus Relief Act

4. Loan Forgiveness Amount

Its the amount of the loan that can be forgiven and is based on specific costs incurred during the 8-week period after the loan origination. Any amount of loan forgiveness is tax-exempt. It is calculated as the sum of the following:

A) Payroll costs
B) Mortgage interest
C) Rent obligations
D) Utility payments

Important: The loan forgiveness amount can be reduced (note the double negative) by two factors:

i) The ratio of reduction in FTEs during the 8-week period following the loan origination when compared to periods in either 2019 or 2020, and
ii) Reduction in the salary or wages paid to an employee who earned less than $100,000 in annualized salary by more than 25% during the covered period.

Important: There are two exemptions that will not reduce the Maximum amount of loan forgiveness:

i) If you reduce the number of FTEs between February 15 2020 and April 28 2020 but re-hire the same number of FTEs you had as of February 15 2020 by the end of the 8-week period after loan origination, you will not be penalized with a reduction in loan forgiveness related to the number of FTEs.
ii) If you reduce the salary of an employee that earned less than $100,000 by more than 25% February 15 2020 and April 27 2020 but return the salary of said employee that was earned as of February 15 2020 by the end of the 8-week period after loan origination, you will not be penalized with a reduction in loan forgiveness related to the reduction in salary or wages.

Estimated Maximum Forgiveness Amount

Enter the amount for each category that you expect to incur over the 8-week period after receiving the loan to calculate the Maximum Loan Forgiveness Amount. Keep in mind this amount is susceptible to reductions calculated.

Payroll Costs	$ -
Mortgage interest	$ -
Rent Obligations	$ -
Utility Payments	$ -
Estimated Max Loan Forgiveness Amount	**$ -**

Comments

Canales de Ofrecimiento

- El banco estará atendiendo solicitudes mediante diferentes puntos de entrada, a continuación detallamos os mismos:
  - **Popular.com** – El Banco ha habilitado un espacio dentro del "website" Oficial de Popular www.popular.com en el cual el cliente puede completar la aplicación de SBA(2483) y la misma será referida al oficial correspondiente para continuar el proceso.
  - **Unidades de negocio** – El Banco está preparado para atender a los clientes *walk-in's*, correo electrónico o que se comuniquen mediante llamada a nuestras Sucursales, CBC's o directamente a los Oficiales de Relación. Los clientes que sean presenciales *walk-in's* se les orientará en cuanto a completar la aplicación SBA (2483) electrónicamente a través de la plataforma "WEB" disponible en www.popular.com/ayuda-sba/
  - **Unidades de apoyo (CBN)** – Las diferentes unidades de apoyo (CBN / TeleBanco) están preparados para orientar al cliente en cuanto al programa y referirlos a completar la solicitud disponible en la plataforma "WEB" www.popular.com/ayuda-sba/

Centro de Banca de Negocios: 787-756-3939

www.popular.com/ayuda-sba/

Q&A