



Presented by:



**PRESTAMOS CDFI**  
a division of **CHICANOS POR LA CAUSA**

## **Small Business Bootcamp & Resource Collective – 3/15/2022 Paycheck Protection Program Update**

As an SBA Microlender and mission driven lender, Prestamos provides small business loans and quality bilingual business education to empower the small business community and create opportunities for economic growth and advancement

# Housekeeping Items

## Q&A

- Please ask questions via the Q&A feature – we will answer questions at the end of presentation

## Copy of Webinar

- A copy of the presentation will be available on the ACA website tomorrow

## Copy of Documents

- A copy of the powerpoint will be available on the ACA website tomorrow

# For Today's Discussion

## Basic Overview of PPP Forgiveness Requirements

- Overview of PPP, acceptable use of funds, FTE, and basics on documentation

## The New SBA Direct Forgiveness Portal

- Overview of the new SBA Direct Forgiveness Portal and walkthrough of the process

## SBA Forgiveness Denials

- How to appeal a full or partial forgiveness denial

# PPP in a Nutshell

Is my PPP forgivable?

- Yes – The PPP is an actual SBA loan that is *potentially forgivable* up to 100% if used correctly over an 8-24 week period. **You must apply for forgiveness.**

How can I use my PPP funds?

- For W2 payroll, state unemployment tax, owner's compensation replacement, and other eligible expenses like rent, utilities, PPE, and supplier costs

What are the terms?

- Each PPP draw is an 8-24 week covered period
- Any non-forgiven portion is repaid over a 5-year term at 1% directly to your lender, not the SBA

# How Can I Use The PPP Loan?

## 60% For Payroll/40% For Other Eligible Expenses

Payroll Expenses Include: Wages, Tips, Commissions, Vacation Time, Sick Time, Company Paid Health or Retirement Benefits and State Unemployment Tax

### Operations Expenditures:

Business Rent/Lease, Utilities, Mortgage or Fixed Loan Interest Only

### Operations Expenditures:

Software, cloud computing, human resource, and accounting needs

### Property Damage Costs:

Costs related to property damage during 2020 public disturbances not covered by insurance

### Worker Protection:

PPE and adaptive instruments necessary for health/safety compliance

# Other Qualified Expenses – Up to 40%

## Mortgage Obligations

- Payment of mortgage interest (no prepayment or principal payments) on real/personal property incurred before February 15, 2020

## Rent Obligations

- Payment on rent or lease for agreements in force before February 15, 2020

## Utility Payments

- Utility payments for electric, gas, water, telephone, transportation, or internet access for which service began prior to February 15, 2020

# Other Qualified Expenses – Up to 40%

## Operations Expenditures

- Business software or cloud computing that facilitates business operations such as payment processing, accounting, HR, inventory, payroll, billing

## Supplier Costs

- Costs for the supply of goods that are essential to business operations

## Covered Worker Protection

- Operating or capital expenditures to comply with health guidance for sanitation, social distancing, or other worker or customer safety due to COVID19

# Forgiveness for Self Employed Individuals

## Owner Compensation Replacement

- Self Employed Individuals are eligible to use up to \$20,833 total across all businesses

## Covered Period Requirements

- In order to be eligible for full 100% forgiveness, borrowers must use the funds over an 11-week period

## Documentation

- Borrowers with owner compensation replacement should make weekly or monthly draws by transfer, withdrawal, or checks to justify forgiveness
- Schedule C may be sufficient for some Lenders



# Forgiveness for Self Employed Individuals

## 8-Weeks

- capped at eight weeks' worth (8/52) of 2019 or 2020 compensation (i.e., approximately 15.38 percent of 2019 or 2020 compensation) or \$15,385 per individual, whichever is less, in total across all businesses.

## 10-Weeks

- Capped at ten weeks' worth (10/52) of 2019 or 2020 compensation (approximately 19.23 percent) or \$19,231 per individual, whichever is less, in total across all businesses.

## 11-24 Weeks

- For a covered period longer than 2.5 months, the amount of loan forgiveness requested for owner-employees and self-employed individuals' payroll compensation is capped at 2.5 months' worth (2.5/12) of 2019 or 2020 compensation (up to \$20,833) in total across all businesses

*Businesses looking to apply for a second draw must use their first draw PPP funds over at least an 8-week covered period, however, to be eligible for full PPP forgiveness the borrower must use the funds over at least an 11-week covered period before they receive their second draw*

# Forgiveness for W2 Employers

## Payroll Requirements

- W2 Employers must use AT LEAST 60% of their PPP for qualified payroll expenses. You can use all 100% for payroll. 8-24 week covered period.
- The other 40% can be used towards other qualified expenses

## Qualified Payroll Expenses

- Gross Wages, salary, tips, PTO, bonuses, etc up to the equivalent of \$100,000/emp
- Company sponsored (paid-for) health and retirement benefits
- State unemployment taxes only (no federal unemployment/workers comp ins)

## Documentation

- Payroll Reports for the covered period, by employee
- Bank statements showing payroll deductions
- Quarterly 941 Reports

# Applying for Forgiveness

## When do I apply?

- You have 10 months from the end of your covered period to apply for full forgiveness (8-24 weeks after your deposit PLUS 10 months)
- If you miss the deadline, you can still apply for partial forgiveness

## What order do I apply?

- You must apply for your 1<sup>st</sup> draw before, or concurrently, with the 2<sup>nd</sup> draw

## What Documents Are Required?

- Form 3508, 3508ez, or 3508s
- 2<sup>nd</sup> Draw Borrowers – Evidence of 25% reduction (Covid Reduction Score)
- Use of funds Documentation

# Applying for Forgiveness

How do I apply?

- Through the SBA Direct Portal if your lender is participating and your PPP is under \$150,000
- Directly through your lender

Can I use one application for all my PPP's?

- Each PPP loan must use a separate loan forgiveness application (each draw and for each business)

How long does the process take?

- Your Lender has 60 Days to make a recommendation
- The SBA has an additional 90-days to make a final determination on forgiveness



U.S. Small Business  
Administration

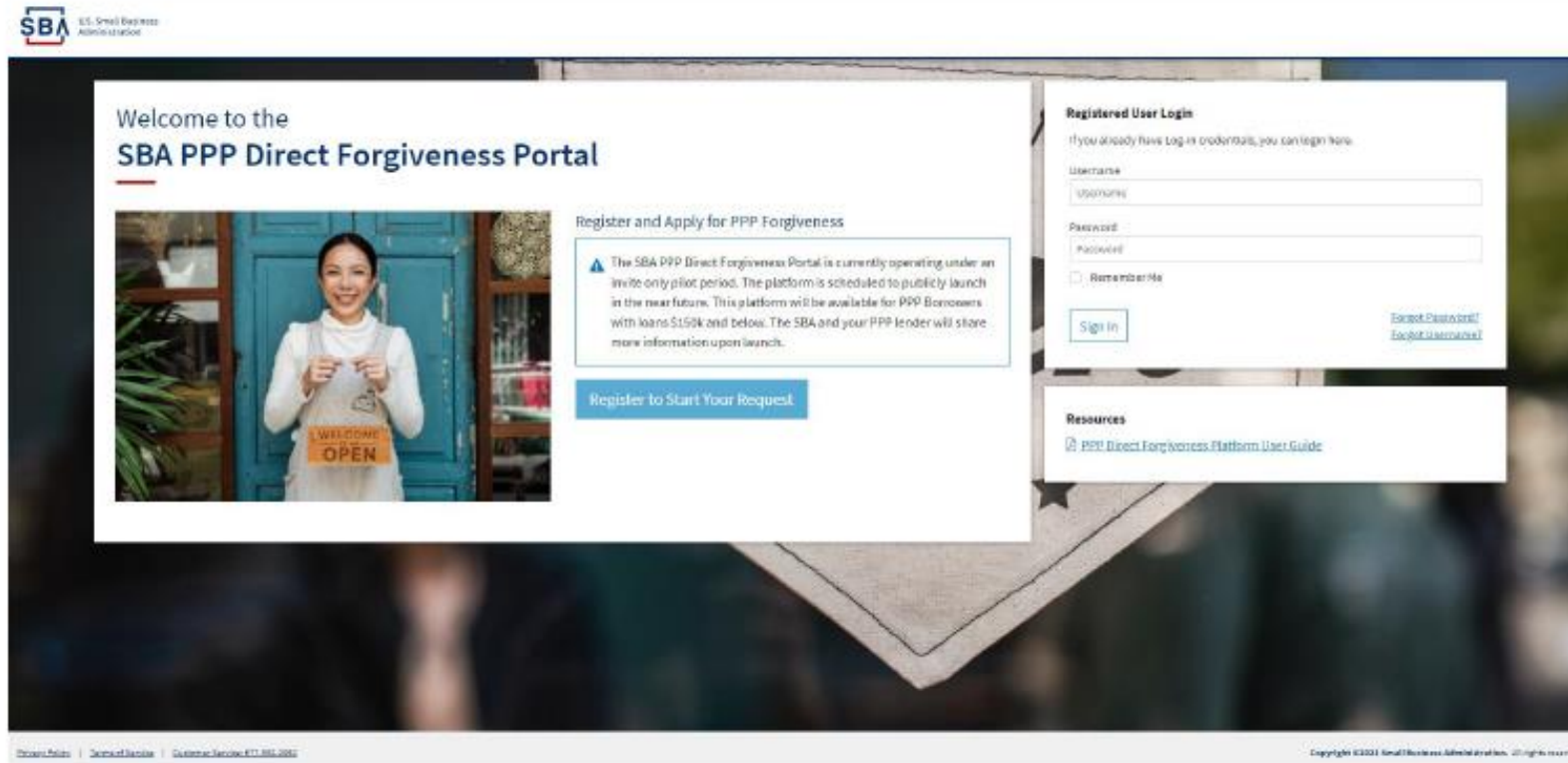
<https://directforgiveness.sba.gov>

# Direct Forgiveness Portal

*Registration*

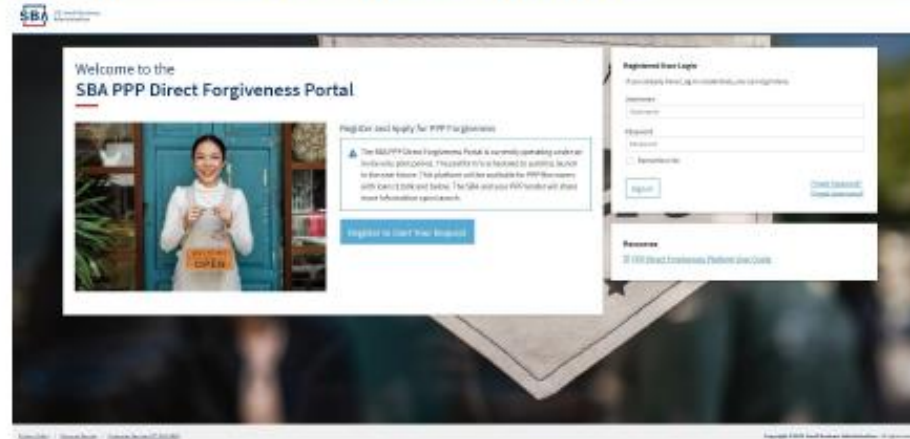
# Direct Forgiveness Portal







- The PPP Direct Forgiveness Portal can be accessed at <https://directforgiveness.sba.gov>
- The Direct Forgiveness Portal allows PPP borrowers whose loans are \$150,000 or less to apply for forgiveness directly to the SBA by submitting a simple pre-filled application.
- Using **MS Edge** or **Google Chrome** browsers is recommended for an optimal experience.
- New Registration will be required to utilize this portal.

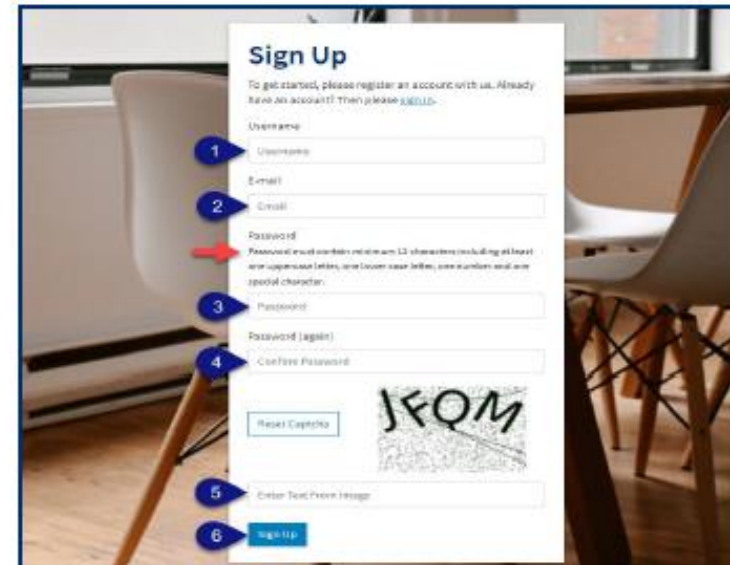


# Direct Forgiveness Portal – New Registration

To begin,  **Select - Register to Start your Application**



1.  **Enter** - Create a unique username
2.  **Enter** - Use your email address
  - Business should have access to this email at any given time
  - Email addresses CANNOT be changed once registration is created
3.  **Enter** - a password
  - Passwords **MUST** meet security criteria
4.  **Re-enter** – your password
5.  **Enter** - Captcha Characters
6.  **Select** - Sign Up



# Direct Forgiveness Portal – Registration Emails

Registrants will receive two emails to complete registration and grant access to the portal. Complete each step to gain access to the application portal.

## 1 Verify Your E-mail Address

We have sent an e-mail to you for verification. Follow the link provided to finalize the signup process. Please contact us if you do not receive it within a few minutes.

## 3 Confirm E-mail Address

Please confirm that [redacted] is an e-mail address for user [redacted].

Confirm



2

## Greetings from the SBA PPP Forgiveness Fund

You're receiving this e-mail because user [redacted] has given yours as an e-mail address to connect their account. You can confirm your account by going to the link below.

[Redacted link]

Click this link to continue registration

[Privacy Policy](#) | [Terms of Use](#)

Copyright © SBA PPP Forgiveness Portal. All rights reserved.



4

## Greetings from the SBA PPP Forgiveness Fund

You are receiving this email because you have successfully registered on the SBA PPP Forgiveness Platform. You may now continue with your application process and submission.

[Privacy Policy](#) | [Terms of Use](#)




Copyright © SBA PPP Forgiveness Portal. All rights reserved.

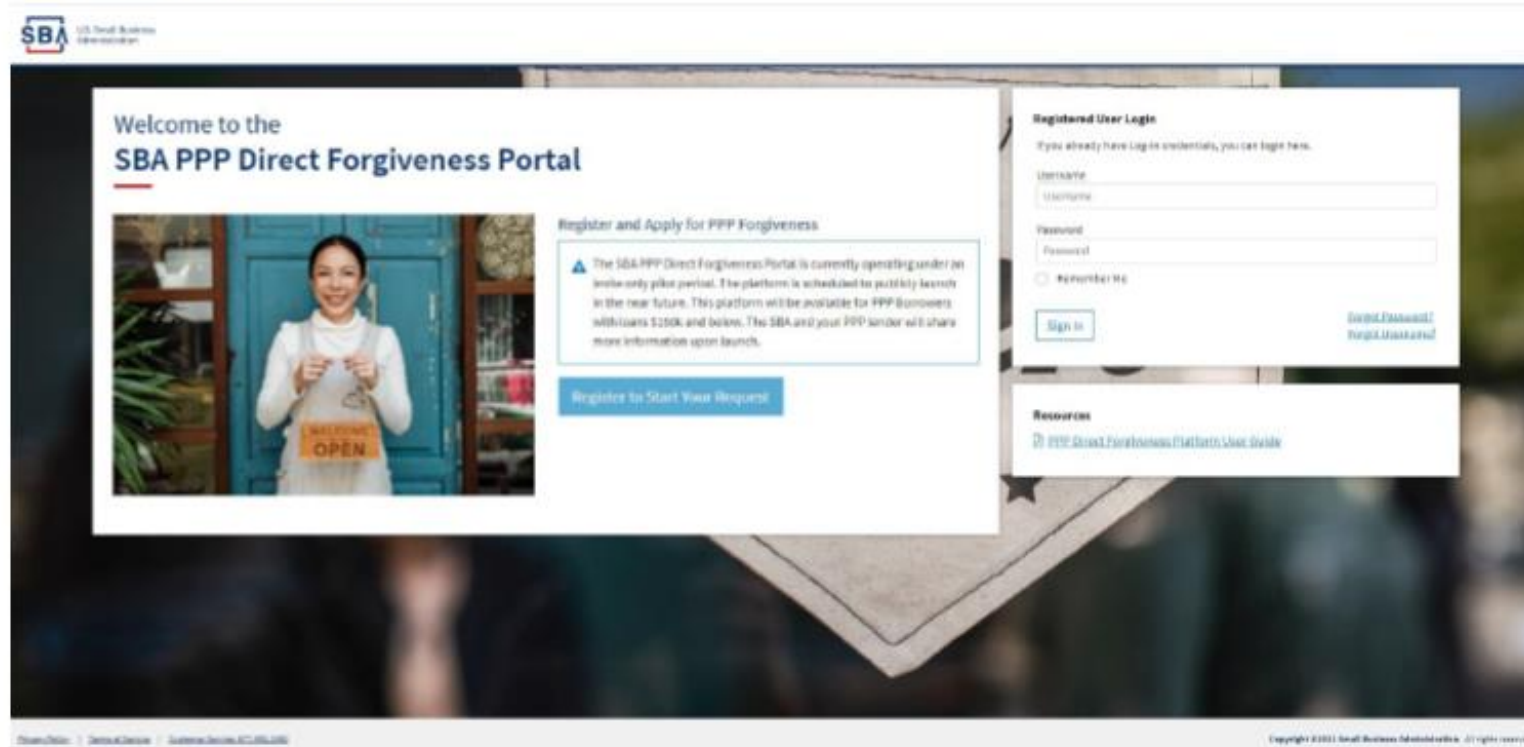
Once you provide and verify your e-mail address, it **CANNOT** be changed.



# Direct Forgiveness Portal – Sign In

Once registration is complete and confirmation emails have been acknowledged, applicants can access the PPP Direct Forgiveness Portal.

1.  **Enter** - the Username created
2.  **Enter** - the Password created
3.  **Select** - Sign In



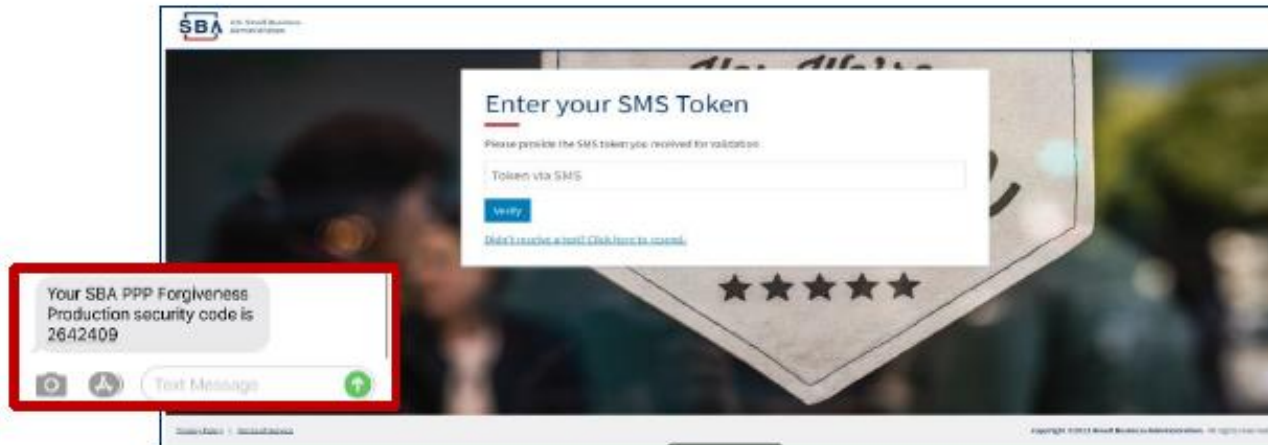
Password reset and forgot password links are available.

# SMS Two-Factor Authentication

All Platform users will encounter two-factor authentication upon login. A US based mobile number must be used. The provider must not be a VOIP (Voice Over IP) phone carrier.



A text message will be sent to the mobile phone provided.



# Things to consider

If you are not required to submit documentation, you should not submit documentation

Your lender is still responsible for making the loan forgiveness decision and passing on the recommendation to The SBA. The Portal is just a user-friendly platform to help expedite the forgiveness process and reduce lender burden

If there is a mistake within the pre-filled data on the forgiveness portal, contact your PPP Lender to make corrections

# Frequently Asked Questions – FAQ's

## How long will this process take?

- The Direct Portal takes about 10 minutes per application
- Your Lender then has 60-Days to make a recommendation
- The SBA then has 90-Days to issue final decision

## What if my lender is not participating?

- You will need to work directly with your lender to complete the forgiveness application using their process. The forgiveness portal is an opt-in for your Lender.

## What if my loan is more than \$150,000

- You will need to work directly with your lender to complete the forgiveness application. The portal is only available for loans under \$150,000

# Frequently Asked Questions – FAQ's

**What if I have an EIDL advance?**

- EIDL Advances are no longer withheld from PPP Forgiveness Amounts

**Can I pay 1099 contractors?**

- No, 1099 contractors are not considered W2 employees and are not an eligible expense

**What if I have additional questions?**

- (877) 552-2692 SBA's Direct Forgiveness Hotline
- Inbox message The SBA from your forgiveness portal
- Email us at [prestamosinfo@cplc.org](mailto:prestamosinfo@cplc.org)

# Appealing a Decision

Appeals are handled through SBA's "Office of Hearings and Appeals" - OHA

OHA does not have jurisdiction over decisions made by lenders concerning a PPP loan. If you would like to dispute a decision made by your lender, please contact your lender directly.

Do not automatically assume that a mistake was not made

- SBA contractors are reviewing millions of loans
- If there is a chance there is an error, appeal

# Appealing a Decision

As a **borrower**, you have **30 calendar days** after receipt of the final SBA loan review decision to file a PPP appeal. Be timely; there is no exception to the time rules.

Appeals must be filed at [appeals.sba.gov](https://appeals.sba.gov). Filings for PPP appeals received in any other manner may be rejected and not docketed for processing

You will be asked to provide the following information when filing your appeal:

- a copy of the final SBA loan review decision being appealed (see a [sample SBA loan review decision](#));
- a full and specific statement as to why the SBA loan review decision is alleged to be erroneous, with all factual information and legal arguments supporting the allegations;
- And the name, address, telephone number, and email address of the borrower or the borrower's attorney.

# Additional Free Resources from CPLC Prestamos

## Prestamos PRIME Program

- No-Cost Assistance for eligible micro-businesses
- Accounting, Marketing, Social Media, Coaching, Website. Etc
- <https://www.prestamosloans.org/sba-prime-program/>

## Prestamos Events Page

- Webinars with PPP updates, business planning, financials, etc
- <https://www.prestamosloans.org/events/>

## CPLC Prestamos Women's Business Center

- In-person and Virtual Coaching & Business Assistance Coming Soon (*Buckeye Commerce Center – 11<sup>th</sup> Street & Buckeye*)
- [www.Phoenixwbc.org](http://www.Phoenixwbc.org)



# Additional Funding Resources

**MARICOPA COUNTY**  
*Small Business Resilience Program*

**GROW BUSINESS TOGETHER**

**1% Growth Loans**

Prestamos CDFI will offer \$5,000 to \$100,000 5-year term loan, no origination fees, to businesses located in Maricopa County .

**NO-COST SUPPORT SERVICES**  
OFFERED BY *Prestamos*

 Social Media Training	 Brand Development	 Webinars	 Product Photography	 Business Plan Review	 Search Engine Optimization	 Google Business Listing	 E-Commerce Development
 Direct Sales Assistance	 Financial Guidance	 Hiring Assistance	 Inventory Management	 Succession Planning	 Coaching	 Collateral Creation	 Time Management

**Apply Now**  
Visit: [grow2biz.org](http://grow2biz.org)  
Call: 602.805.1692

## Additional funding opportunities through Prestamos include:

- 1% Growth Loans up to \$100K in Maricopa County
- Microloans from \$5k-\$50K
- Small Business Loans \$50K up to \$1MM+
- Community Advantage
- Social Enterprise Loans

Visit us at [www.prestamosloans.org](http://www.prestamosloans.org) for more information or to apply for the Maricopa program visit [www.grow2biz.org](http://www.grow2biz.org)

# Thank you for watching!

Presented by:



**PRESTAMOS CDFI**  
a division of **CHICANOS POR LA CAUSA**

[PPP@cplc.org](mailto:PPP@cplc.org) for 1:1 Prestamos Loan Assistance

[www.prestamosloans.org](http://www.prestamosloans.org) for loans, info on events/business assistance programs



- 
- **Live Multilingual SBA Direct Forgiveness Portal Customer Service** [877-552-2692](tel:877-552-2692)
  - **SBA Direct Forgiveness Portal:** <https://directforgiveness.sba.gov>
  - **Portal User Guide:** <https://sba-forgiveness-docs.s3-us-gov-west-1.amazonaws.com/SBA-PPP-DF-User-Guide.pdf>
  - **Portal FAQ's:** <https://dfussbaforgiveness.zendesk.com/hc/en-us/sections/4404338726811-Borrower-FAQs-on-Direct-Forgiveness>