



## Paycheck Protection Program (PPP)

The Paycheck Protection Program (PPP) is a loan option that has been authorized by the U.S. Government as part of the CARES Act that was signed into law on Friday, March 27, 2020. The PPP Loans are offered through the Small Business Administration (SBA) and are designed to help businesses keep their workforce employed during the COVID-19 (Coronavirus) situation. To see full program details please visit [SBA Paycheck Protection Program Details](#).

United Bank of El Paso will be assisting our existing customers with the application and submission process for a PPP loan. Below are some of the highlights of the loan program and instructions on how to apply. If you are not a customer of United Bank please use the link above and to find other participating lenders in your area.

### PPP Loan Terms

All loans will have the same loan terms and businesses are limited to one PPP loan:

- Loan Maturity of 2 years
- Loan payments will be deferred for the first six months
- Loans will have a fixed 1% interest rate
- No collateral or personal guaranties are required
- Neither the government or the bank will charge any fees for obtaining this loan

Loan amounts can be up to 2.5 times your average monthly payroll cost from the previous year. Payroll cost will be capped at \$100,000 annualized for each employee.

### Businesses eligible for a United Bank PPP Loan

Any current United Bank of El Paso small business customer with less than 500 employees including sole proprietorships, independent contractors, self-employed persons, private non-profit organizations 501(c)(3) or veterans organizations 501(c)(19). Businesses in certain industries with more than 500 employees if they meet applicable size standards. Please click on the following link for more information on the size standards. [SBA Size Standards](#). Other businesses may be eligible so please visit the program details link above for more information.

### How to apply for a United Bank PPP Loan

Click on the following link for the [PPP Loan Application and Instructions](#).

Other eligibility information must be submitted with the application and may include one or more of the following items and may not be limited to:

- Payroll Tax Filings
- Form 1099-Misc
- Bank records or other documentation sufficient to demonstrate the qualifying payroll amount.

Once the application has been filled out and documents gathered please submit them to your United Bank account officer for review, verification and processing.

## **PPP Loan Forgiveness by the SBA**

PPP loans will be fully forgiven by the SBA if the funds are used for payroll costs, interest on mortgages, rent, and utilities. Due to the likely high demand for these loans, at least 75% of the forgiven amount must have been used for payroll. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. For more specifics on the loan forgiveness please visit [program details link](#) above.

## **Other Information about PPP Loans**

The Paycheck Protection Program is offered by the U.S. Government and provided through the Small Business Administration. Eligibility, program rules, loan terms and loan forgiveness are not at the discretion of United Bank of El Paso. Program rules and requirements are subject to change and United Bank of El Paso will do our best to keep all of our customers informed with up to date information. Misuse of the loan program or funds received from the loan will be subject to recourse by the SBA and can include but may not be limited to possible reduction or disqualification of loan forgiveness, full liability for the loan amount and additional liability such as legal charges for fraud.

As always, your United Bank of El Paso team is here for you and our community.