Paycheck Protection Program

Whether you're a sole proprietor, self-employed, a small business owner with employees, or an independent contractor, the Paycheck Protection Program (PPP) offers low-interest loans that may be 100% forgiven.

Square Capital is excited to participate in the new round of PPP loans. Whether this is your first or

second PPP loan, you may be eligible to apply.

We're currently building online application forms that are fast and simple to fill out, so you can save time and get your funds quickly. At this time, only businesses with a Square account will be able to apply through Square Capital. Applications for second loans through Square Capital will roll out in early February, and applications for first loans through Square Capital are expected to become available in March. Once applications are ready, you'll get an email and a Square Dashboard notification if you're eligible to apply.

Paycheck Protection Program and Square Capital at a glance

Who can apply

- **If this is your second PPP loan**
  Sole proprietors, independent contractors, self-employed persons,

Amounts up to $150,000 through Square Capital

While the maximum loan amount under the Paycheck Protection Program is $2 and small businesses with up to 300 employees in operation at least since February 15, 2020, who experienced at least a 25% decrease in revenue in a quarter in 2020 relative to a quarter in 2019, and who have already used or will use the full amount of their first PPP loan, are eligible to apply.

- **If this is your first PPP loan**
  Sole proprietors, independent contractors, self-employed persons, and small businesses with up to 500 employees in operation at least since February 15, 2020.

million for second loans and $10 million for first loans, Square Capital will be offering loans up to $150,000.

- **If this is your second PPP loan, and your business is not a restaurant or hotel**, get up to 2.5x or 250% of your 2019 or 2020 average monthly payroll expenses (or average monthly net profit for non-employers). If your business is a restaurant or hotel, get up to 3.5x or 350% of your 2019 or 2020 average monthly payroll expenses (or average monthly net profit for non-employers).

- **If this is your first PPP loan**, get up to 2.5x or 250% of your 2019 or 2020 average monthly payroll expenses (or average monthly net profit for non-employers).

100% forgiveness

You can apply for full or partial loan forgiveness.* Full forgiveness can be approved if:

- Your entire loan is used toward qualifying costs, and at least 60% of

5-year repayment term

You will have five years from the date your loan was deposited to repay any amount not forgiven. All loan payments are deferred until your loan forgiveness decision date (or until about 16 months after receiving your loan if you don't the loan is used for qualifying payroll costs.

- If your loan is equal to or under $150,000, you can qualify for forgiveness if you can attest that your business complied with program requirements.

apply for forgiveness). Interest will accrue during this time.

1% fixed interest rate

Low, fixed annual interest rate on any loan amount not forgiven.

*In order to apply for loan forgiveness, you'll need to document how you use the loan. Loan forgiveness does not happen automatically. Check our **PPP forgiveness page** for updates.

How can these funds be used?

- **Payroll costs** (salary,
- **Employee benefits** (healthcare
- **Mortgage interest payments**
- **Property damage** caused by
- **Operations costs** (software

wages, commission, tips)

and retirement benefits)

(not including payments on the mortgage principal)

public disturbances in 2020

or cloud computing service)

- ✓ **Worker protection expenses** (masks, plexiglass shields, gloves, and more)
- ✓ **Supplier costs**
- ✓ **Rent**
- ✓ **Utilities**

Loans used to cover these costs are eligible for forgiveness, if at least 60% of the loan is used toward qualifying payroll costs and the rest of the loan is used toward the other uses listed here. Any funds going toward non-covered expenses will not be forgiven. Note: If you're self-employed with no employees, your full loan is eligible for forgiveness regardless of how the funds are spent.

For more information on loan forgiveness, check out our PPP Forgiveness Page or visit the SBA's PPP website.

Start preparing to apply

Preparing your 2019 or 2020 taxes or getting a payroll report from your payroll provider (if you have one) are the best things you can do ahead of time.

If you don't have employees, you'll need to have a prepared 2019 or 2020 1040 Schedule C form to upload (your taxes don't have to be filed yet). Whether you apply through Square Capital or with another lender, you'll need the same documents and information.

If you are applying for a second PPP loan, your business needs to have experienced at least a 25% decline in revenue in a quarter in 2020 relative to the same quarter in 2019

This can be calculated on a quarterly basis using quarterly financial statements or bank statements, or on an annual basis using tax forms for the full year 2020.

Please note:

Make sure any numbers you enter in the application match your supporting documents exactly. It's also important to upload the exact documents required during the application process. Incorrect documents could result in a delay of your application. For the most up-to-date requirements, **visit the SBA website.**

Determine if you are an employer or non-employer

You are an employer if you filed a W-2 for at least one employee including yourself. You are a non-employer if your business didn't file a W-2 for any employee including yourself.

Calculate your average monthly payroll or income

If you're an employer, it's payroll. Non-employers will calculate net profit.

Learn how to calculate this

Organize business and personal information

You'll need things like your government ID, SSN, and EIN to complete the application.

See exactly what you'll need

Verify your business was operational on February 15, 2020

The PPP does not apply to businesses started after this date.

Verify with these documents

Confirm if you had employees on February 15, 2020

If you don't employ anyone, your requirements will be different. Either way, the SBA needs to see documentation.

Check what documents you'll need

What to expect from Square Capital

We’ve designed an easy, intuitive application experience:

1. We’ll reach out via email and **your Square Dashboard** if you’re eligible to apply. Then you can complete the PPP loan application on your Square Dashboard.

2. Applications will then be reviewed by Square Capital. Next, the Small Business Administration (SBA) reviews applications on their own timeline.

3. If your application is approved by the SBA, funds will then be deposited into your linked bank account in 1 to 10 calendar days after SBA approval.

Frequently asked questions

What’s the deadline to apply?

Can I apply for a PPP loan with more than one lender?

Can I receive a PPP loan and a loan through Square Capital?

How is my PPP loan amount calculated?

Can my PPP loan be forgiven in whole or in part?

How long does the PPP application review process take?

All loans are issued by Square Capital, LLC, a PPP lender licensed by the SBA. The individual authorized to act on behalf of the business must be a U.S. citizen or permanent resident and at least 18 years old. Valid U.S. bank account and Social Security number or Individual Taxpayer Identification Number are required. Eligibility for the Payment Protection Program or any other loan product is not guaranteed. All loans, if offered, will be subject to approval and qualification under the program standards.

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Square Capital, LLC