

# Paycheck Protection Program: Interim Final Rules at a Glance

*Updated April 9, 2020*

On April 3, 2020, the Small Business Administration (SBA) released an [interim final rule](#) for the Paycheck Protection Program created under the recently enacted “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” Congress allocated \$349 billion to the Program, which provides direct incentives for small businesses, including physician practices, to keep their workers on payroll by providing each small business a loan up to \$10 million for payroll and certain other expenses.

This program is for any small business with fewer than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private nonprofit organization, or 501(c)(19) veterans organizations affected by coronavirus/COVID-19. Businesses in certain industries may have more than 500 employees if they meet the SBA’s [size standards](#) for those industries.

Also late yesterday, April 3, the SBA issued an [interim final rule](#) laying out the affiliation rules with regard to the Paycheck Protection Program. Four tests of affiliation will be used to determine the number of employees of an applicant to the Program. Applicants are subject to the affiliation rules at [13 CFR 121.301](#), a summary of which can be found [here](#).

The SBA interim final rule specifies that the interest rate on the loan will be 1 percent with a maturity of two years.

Loans are forgivable if certain criteria are met and provided on a first-come, first-served basis. While lenders were permitted to begin processing applications on April 3, the late-breaking information from the SBA has proved challenging to lenders.

The interim final rule clearly lays out answers to questions regarding program eligibility and parameters for loan forgiveness.

## **ADDITIONAL RESOURCES**

[SBA COVID-19 Relief Options](#)

[Small Business Administration Interim Final Rule](#)

[Paycheck Protection Program Loan Application](#)