



# CHESAPEAKE FINANCIAL CORP

## Is my business eligible?

Your business is eligible if it is a:

- A small business with fewer than 500<sup>1</sup> employees<sup>2</sup>;
- A 501(c)(3);
- An individual who operates as a sole proprietor or contractor.
- A 501(c)(19) Veterans Organization.



Small Businesses



Nonprofits

## When and where can I apply?

You are encouraged to contact your local bank today to see if they are an approved lender or you can contact your Small Business Development Center ([click here to view yours](#)).

## What documents do I need to provide?



This will be a 'good faith certification' process that requires you attest that:

- The uncertainty of current economic conditions makes the loan request necessary;
- The borrower will use the loan proceeds to retain workers and maintain payroll or make rent and utility payments;
- From Feb. 15, 2020 to Dec. 31, 2020, the borrower has not applied for or received a loan duplicative of the purpose and amounts applied for;

## How much can I borrow?

You can borrow up to 2.5 x your average monthly payroll costs incurred during the prior year-to-date, not to exceed 10million<sup>3</sup>.



<sup>1</sup> This includes both full and part-time.

<sup>2</sup> If you are in the accommodation and food services sector (NAICS 72), the 500--employee rule is applied on a per physical location basis.

<sup>3</sup> **Excluded Costs:** Compensation in excess of \$100,000 per employee, payroll taxes and income taxes and employees whose principal residence is not the United States.

**Included Costs:** Salary, wage, commission, cash tips, vacation, sick leave, group healthcare benefits and retirement benefits



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## What if I own a seasonal business or was not in operation for a full year?

You can borrow up to 2.5 x your average monthly payroll costs for the 12-week period beginning February 15, 2019 or March 1, 2019 (decided by the loan recipient) and ending June 30, 2019.

## Is this loan forgiven?

This loan is eligible for forgiveness if the borrower spends the funds on:

- Payroll;
- Rent;
- Utilities;
- Interest on mortgages.

The amount of the forgiveness will be reduced if there is a reduction in the number of employees or more than a 25% reduction in their wages.



## Will I have to pay taxes on the discharged amount?

No!

You'll hear people refer to this as a loan that turns into a grant, but in reality, it is a grant that turns into a loan. During these stressful times, Chesapeake Financial Corp. is going to help you navigate this process and provide the best possible outcome for your business.