



PRESS RELEASE

FOR IMMEDIATE RELEASE:

Thursday, April 2, 2020

FORGIVABLE SBA LOANS FOR SMALL BUSINESSES AFFECTED BY COVID-19 AVAILABLE FRIDAY, APRIL 3

- *Small businesses impacted by COVID-19 can apply for SBA Paycheck Protection Program loans starting Friday, April 3*
- *Forgivable SBA loans are designed to help small businesses keep their workforce employed*

NASHVILLE, Tenn. – Tennessee Governor Bill Lee announced today that Tennessee small businesses impacted by the COVID-19 crisis are eligible to apply for loan assistance through the U.S. Small Business Administration’s new [Paycheck Protection Program \(PPP\)](#). Businesses can begin applying for these loans with eligible financial institutions beginning Friday, April 3, 2020.

The new [\\$349 billion loan program](#) – a major piece of the Coronavirus Aid, Relief and Economic Security (CARES) Act signed into law by President Donald Trump last Friday – will provide much-needed relief to small businesses and help companies keep their workers employed and sustain operations.

“This unprecedented relief is absolutely vital for Tennessee’s small businesses, workers and Main Street economy to weather the impact of COVID-19,” Lee said. “I encourage our small businesses to access the SBA’s new forgivable loan program to ensure Tennesseans continue to get a paycheck during these difficult times.”

“Small businesses and their employees are the backbone of our economy, and the Paycheck Protection Program provides essential aid to sustain Tennessee’s Main Street economy,” TNECD Commissioner Bob Rolfe said. “Tennessee is home to more than 160,000 small businesses, which collectively employ more than 2 million Tennesseans. We urge the Tennessee businesses affected by COVID-19 to speak with their bankers about this new relief program. We also encourage business owners to be patient with their lenders, as financial institutions are still awaiting key guidance on how to execute these new loans.”

The PPP is designed to assist small businesses with their payroll and other business operating expenses. The SBA will fully forgive PPP loans that are used to cover the first eight weeks of payroll, rent, utilities and mortgage interest. Due to likely high subscription, at least 75 percent of the forgiven amount must be used for payroll purposes.

Loan forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels through June 30, 2020.

PPP loans have a 2-year maturity and interest rate of 0.5 percent. Loan payments will be deferred for six months. The loans do not require collateral or personal guarantees. Neither the government nor lenders will charge small businesses any fees for PPP loans.

Businesses can apply through existing SBA 7(a) lenders or federally insured banks and credit unions. The SBA advises businesses to consult with their local lenders to confirm their participation in the program.

The PPP is for any small business with fewer than 500 employees, including sole proprietorships, independent contractors and self-employed persons, as well as non-profit organizations or 501(c)(19) veterans organizations affected by COVID-19. Health care providers are also eligible to apply for this relief. Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.

Small businesses and sole proprietorships, typically with fewer than 500 employees, can apply for PPP beginning Friday, April 3. Independent contractors and the self-employed can apply starting Friday, April 10.

More information on PPP, including the [application form](#) and [FAQs for borrowers](#), is available on the [U.S. Department of Treasury's website](#).

Companies that applied for SBA Economic Injury Disaster Loans are still eligible to apply for forgivable loans through PPP. COVID-19-related loan resources and guidance are also available on the [SBA's website](#).

Additional resources for businesses and workers are available on TNECD's [COVID-19 resource page](#). Up-to-date information on COVID-19 in Tennessee can be found [here](#).

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About the Tennessee Department of Economic and Community Development

The Tennessee Department of Economic and Community Development's mission is to develop strategies that help make Tennessee the No. 1 location in the Southeast for high quality jobs. To grow and strengthen Tennessee, the department seeks to attract new corporate investment to the state and works with Tennessee companies to facilitate expansion and economic growth. Find us on the web: tnecd.com. Follow us on [Twitter](#) and [Instagram](#): @tnecd. Like us on Facebook: facebook.com/tnecd.

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