

Q&A INFO SHEET

What is the Paycheck Protection Program?

The PPP is a forgivable loan program designed to help your business survive the economic hardships created by the COVID 19 virus.

What kinds of businesses are eligible?

Most businesses are eligible for the program.

Real estate agents, contractors, hair stylists, Gig economy workers, (AND MORE)

What are the PPP Program Terms?

1. No Fees (Filing your application is FREE)
2. Forgivable (Loan converts to a grant)
3. No personal guarantees
4. No Collateral
5. No Credit Checks
6. Federally Tax Free
7. No payments if the loan is forgiven within 14 months.
8. Many borrowers qualify for 2 loans
9. Maximum loan is \$20,833 per individual (\$41,633 if you qualify for a second loan)

Program Requirements?

1. You must be a business (Sole Proprietor and businesses that receive commissions (1099's) are eligible
2. Have been in business before 2-15-2020.
3. Provide true and accurate information and provide valid government documents / filed tax returns
4. Tell the truth on your loan application

How is the loan forgiven?

1. You must pay yourself. (This is accomplished by accepting the wire into your bank account)
2. Provide true and accurate payroll and tax information

3. Tell the truth on your application
4. Fill out a simple 1 page forgiveness application (provided by SBA and A10 Capital)
 - a. You have 14 months to apply for forgiveness before you will have to start making payments.
5. Retain your tax and payroll records for 3 years (normal IRS requirement)

I file my taxes as an individual using an IRS 1040 return, am I eligible?

Yes. Most businesses without employees file using an individual return.

How is my loan amount calculated if I use a IRS 1040 individual tax return?

Take Line 7 GROSS INCOME from your 1040 Schedule C up to \$100,000 (Gross Income can be more than \$100,000 but \$100,000 is the maximum allowed in the program)

Divide Line 7 by 12

Multiply by 2.5

= Loan amount

Example 1:

$$\$100,000 \div 12 = \$8,333$$

$$\$8,333 \times 2.5 = \$20,833$$

$$\text{Loan Amount} = \$20,833$$

Example 2:

$$\$60,000 \div 12 = \$5,000$$

$$\$5,000 \times 2.5 = \$12,500$$

$$\text{Loan Amount} = \$12,500$$

What documents do I need to apply?

1. 2019 filed tax return with all attachments including 1099's
- AND If you choose to use 2020 Tax and income information
- o 2020 filed or to be filed Schedule C with 2020 1099's

If you use 2020 payroll and tax information we still need filed 2019 information

2. Copy of Driver's License
3. Wire Information
 - o Your bank's wire instructions
 - o Voided check and bank statement from the account you would like us to send the money to.

*Most borrowers choose the year in which they made the most income on IRS Form 1040 Schedule C Line 7

How do I apply?

1. Upload required documents onto your computer
2. Review and follow application instructions
3. Enter A10 Capitals application portal (<https://a10capital.com/paycheck-protection-program>)

It is absolutely necessary to you provide all requested documentation and completely fill out the application.

There are portal images of where the respective documents go. Avoid using "Additional Documents" unless necessary. Ignore document requests that do not relate to your situation.

Failure to carefully complete the entire process will create significant delays and could result in your loan being rejected by the SBA.

How do I qualify for a second loan?

1. Receive funding of your first PPP loan.
2. Use the money from the first loan on forgivable expenses (For businesses without employees this is accomplished when you have accepted the wire information into your account.)
3. Must certify that you have had a 25% or greater decline in sales, commissions OR income in a single quarter in 2020 when compared to the same quarter in 2019 (<https://a10capital.box.com/s/bn3mn1qrgtf96o9ipfu6edvaym9eehy4>)
4. Complete the second loan application (A10 will provide)
5. Sign and date documentation of decline in sales commissions or income you have provided and upload to the A10 portal. If you elect not to submit this documentation, you must keep it as it will be required at the time of forgiveness. If possible, it is best and highly encouraged to submit it at the time of application.

Process Questions

How long will it take to full out my loan application?

If you have all your documents already electronically stored on your computer the application takes 15 – 30 minutes.

What happens after I submit my loan to A10 Capital?

You will receive an email confirming that your application has been received. You will also receive a status update from A10 Capital within 48hrs. A10 will then send you a loan application for your signature.

Who approved the loan?

The SBA approves all loans. Once your loan and documentation has been submitted to the SBA most loans are approved within 24-48 hours.

How will I know if my loan is approved?

A10 Capital will notify you that the loan has been approved, and you will receive wiring instructions.

How will I know if my loan is funding?

Once the SBA approves your loan, A10 Capital will send you a DocuSign to confirm your wire instructions and well as the final loan note (final documents) for signature.

After submitting my application how long will it take to receive my loan?

About 7-10 days

I don't have any employees. How will I answer the question: "How many employees do I have"?

The correct answer is 1. You are the sole employee

If I am a Single Member S – Corporation am I eligible?

Yes. Please ask your accountant how you would apply and receive the same benefit as an individual 1040 Schedule C filer.

Is the PPP loan the same as a EIDL loan?

No. The PPP is a separate program. EIDL loans must be handled directly with the SBA.

Can I have an EIDL loan and a PPP loan?

Yes.

Does the voided check and bank statement have to come from the same account?

Yes. Both should come from the account you would like to receive the money in.

Can I have W2 income and 1099 Income and still be eligible for a PPP loan?

Yes. You would only use your 1099 income (1040 Schedule C – Line 7) in your loan calculation.

What if a Husband and wife file jointly and both have 1099 commissioned businesses.

Add up each individual (business income) 1099s not to exceed \$100,000 and add them together.

Example:

Spouse 1 (Makes \$120,000 on Line 7):

$$\$100,000 \div 12 = \$8,333$$

$$\$8,333 \times 2.5 = \$20,833$$

Spouse 2 (Makes \$60,000 on Line 7):

$$\$60,000 \div 12 = \$5,000$$

$$\$5,000 \times 2.5 = \$12,500$$

$$\text{Total: } \$20,833 + \$12,500 = \$33,333$$

Max Loan Amount is: \$41,666