


# PAYCHECK PROTECTION PROGRAM: MYTH VS. FACT



THE PAYCHECK PROTECTION PROGRAM (PPP) CAN PROVIDE FINANCIAL SUPPORT FOR YOUR BUSINESS. IF YOU MEET CERTAIN CONDITIONS, YOU DO NOT HAVE TO PAY THE LOAN BACK—IT BECOMES A GRANT. APPLICATIONS ARE DUE MARCH 31, 2021, AND CAN TAKE UP TO A MONTH TO PREPARE, SO THE TIME TO GET STARTED IS NOW!

**MYTH:**  **Applying for a PPP loan will trigger a credit check or I will have to put up collateral**

**FACT:** 

The PPP program does not require any collateral or personal guarantees and there is no credit check.

**MYTH:**  **I have to have employees to receive PPP loan**

**FACT:** 

You do not have to have any employees to receive a PPP loan. Sole proprietors, independent contractors and self-employed persons are all eligible to apply and are all eligible for loan forgiveness.

**MYTH:**  **The PPP program is only for large businesses working with established banks**

**FACT:** 

Small and microbusinesses are eligible for the PPP program. From February 24 through March 10 businesses with fewer than 20 employees have an exclusive window to apply for the program. You can apply through your bank or one of these community-based lenders (services are in English only):

Opportunity Resource Fund: [oppfund.org/ppp-paycheck-protection-program](http://oppfund.org/ppp-paycheck-protection-program)

Community Reinvestment Fund: [crfusapploans.com/partners/detroit/](http://crfusapploans.com/partners/detroit/) or 1-844-530-2724

First Independence Bank: [firstindependence.com/ppp-loans/](http://firstindependence.com/ppp-loans/)

For help filling out your application, visit [mbaresponse.org/ppp](http://mbaresponse.org/ppp) (English and Spanish)

**MYTH:**  **My PPP loan won't actually be forgiven**

**FACT:** 

You will be eligible for loan forgiveness (which means you do not have to pay the loan back) as long as you spend the funds within 8-24 weeks of receiving them and meet these requirements:

- Employee and compensation levels are maintained (for second-time recipients levels must be maintained in the same manner as for the first loan);
- The loan proceeds are spent on payroll costs and other eligible expenses; and
- At least 60 percent of the proceeds are spent on payroll costs

**MYTH:**  **Nonprofits and faith-based organizations are not eligible for PPP**

**FACT:** 

Nonprofits and faith-based organizations are eligible for both first-time and second-time PPP loans.

## Detroit Means Business

To access free resources to help you submit your PPP application, visit:

<https://detroitmeansbusiness.org/financial-resources/paycheck-protection-program/>