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CARES Act and the Paycheck Protection Program

Dear Valued Customer,

You have most likely been inundated with information regarding the Paycheck Protection Program under the CARES Act as well as information on the Families First Coronavirus Response Act (FFCRA). We would like to touch base with you on these programs and provide information on how Bank First can help.

CARES Act and the Paycheck Protection Program

On March 27, 2020, Congress passed and the president signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides economic support intended to be quickly available to workers and businesses. The Paycheck Protection Program is one of the largest sections of the Act and offers an estimated \$349 billion in government-guaranteed loans to small businesses and non-profit organizations. While the program details are still being finalized, here is what we know so far.

Under the Paycheck Protection Program:

- You may be eligible if you are a small business with fewer than 500 employees, are a select type of business with fewer than 1,500 employees, are a 501(c)(3) non-profit with fewer than 500 workers, or are a 501(c)(19) veteran organization. Businesses must have been in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes.
- Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll, plus an additional 25% of that amount.
- Loan payments under the program will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.
- Loans will be guaranteed 100% by the U.S. Government
- No annual fee; no guarantee fee; no collateral requirement; no personal guarantee
- Maximum interest rate of 0.50%; maximum term and amortization of up to 2 years

Applying for the Paycheck Protection Program (PPP):

The Paycheck Protection Program is being implemented by the SBA with support from the Department of the Treasury. The SBA is working on finalizing the development of the program, and while all the details have not yet been communicated to financial institutions, we wanted to share with you important information on how you can start preparing your application for submission.

Preparing your application now will help ensure it is processed as efficiently as possible. Please know our dedicated team of bankers is ready to assist once we have all the details from the SBA and the program is officially put into place. Bank First is a certified and Preferred SBA Lender. As such, we will be able to submit applications to the SBA the moment the program is implemented, which is expected to be Friday, April 3.

Step 1:

Read through and garner an understanding of the sample application. The SBA published a

sample application form on March 31. Note, this is still a “sample”; however, it can assist you in preparing your application ahead of time. We expect a final version of the application will be published by the SBA on Friday, April 3.

Step 2:

Start compiling all necessary paperwork. Please note: we have not received final guidance on what documentation will be required along with your application; however, we anticipate it will include the following:

- 2019 year-end financial statements and most recent monthly financial statements (within 60 days)
- Number of employees on your payroll for the last 12 months as well as pay rates
- IRS payroll tax filings and state income taxes (YTD)
- Payroll and unemployment insurance filings (YTD)
- Employer paid health insurance premiums and employer retirement contributions for the last 12 months
- Payments on covered mortgage obligations, lease obligations, and utilities

Step 3:

Submit these preliminary items to your relationship manager. Once we receive the information, your relationship manager will review and will reach out if we have any questions. Please note: we may reach out for additional items once we get final details on the program from the SBA.

The Families First Coronavirus Response Act (FFCRA)

The Families First Coronavirus Response Act (FFCRA or Act) requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor’s Wage and Hour Division administers and enforces the new law’s paid leave requirements. For more information regarding the FFCRA and its requirements, [click here](#).

Covered employers qualify for dollar-for-dollar reimbursement through tax credits for all qualifying wages paid under the FFCRA. Qualifying wages are those paid to an employee who takes leave under the Act for a qualifying reason, up to the appropriate per diem and aggregate payment caps. Applicable tax credits also extend to amounts paid or incurred to maintain health insurance coverage. For more information, please see the Department of the Treasury’s website.

Where to Seek Assistance

We ask that you please check with your accountant or tax advisor as seeking the tax credit approach may be more beneficial as opposed to one of the loan programs. As we understand, you cannot take both tax credits and loan forgiveness. Also, once you choose a program, certain circumstances may prohibit you from applying for another loan program.

We understand you may have questions as you navigate through the details of these programs. Please know our team is working diligently around the clock to serve our customers and are here to help. Please contact your local office or relationship manager, and they will assist with any questions or concerns you may have. As always, thank you for choosing Bank First.

Sincerely,

Mike

Mike Molepske
CEO
Bank First
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Additional Resources:

- [U.S. Chamber of Commerce Resources for Business](#)

- [Small Business Administration \(SBA\) Small Business Guidance & Loan Resources](#)
- [Small Business Administration \(SBA\) Disaster Assistance](#)
- [Sign up to receive SBA Updates](#)
- [Sample Payroll Protection Program \(PPP\) application](#)
- [IRS FAQs on Employee Retention Credit](#)
- [Wisconsin Bankers Association - Summary of COVID-19 Lending Options](#)



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