



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
**OFFICE OF THE GOVERNOR**  
COMMONWEALTH HEALTHCARE CORPORATION  
**GOVERNOR'S COVID-19 TASK FORCE**



**FOR IMMEDIATE RELEASE**

April 30, 2020

**Small Business Administration (SBA) Paycheck Protection Program  
and Economic Injury Disaster Loans  
*Fact Sheet for the CNMI***

**Paycheck Protection Program (PPP)**

- Loan that helps businesses keep their workforce employed during the COVID-19 crisis
- SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.
- You can apply through your small business banking partners
  - BOG, BOH, FHB, and Bank Pacific
  - Contact your local banking partner
- You can borrow up to \$10 million.
- Additional information that might be useful to attach with the SBA PPP application include but not limited to the following:
  - IRS Form 941 Employers Quarterly Tax Return for 2019, or
  - IRS Form 1099 Misc., or W3SS
  - Other Payroll Documentation including payroll schedule and other payroll related costs.

**Am I eligible?**

You are eligible for a PPP loan if you have 500 or fewer employees whose principal place of residence is in the United States, or are a business that operates in a certain industry and meet the applicable SBA employee-based size standards for that industry, and:

You are:

- A small business concern as defined in section 3 of the Small Business Act (15 USC 632), and subject to SBA's affiliation rules under 13 CFR 121.301(f) unless specifically waived in the Act;
- A tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code (IRC), a tax-exempt veterans organization described in section 501(c)(19) of the IRC, Tribal business concern described in section 31(b)(2)(C) of the Small Business Act, or any other business; and

You were in operation on February 15, 2020 and either had employees for whom you paid salaries and payroll taxes or paid independent contractors, as reported on a Form 1099-MISC.

You are also eligible for a PPP loan if you are an individual who operates under a sole proprietorship or as an independent contractor or eligible self-employed individual, and you were in operation on February 15, 2020.

You must also submit such documentation as is necessary to establish eligibility such as payroll processor records, payroll tax filings, or Form 1099- MISC, or income and expenses from a sole proprietorship. For borrowers that do not have any such documentation, the borrower must provide other supporting documentation, such as bank records, sufficient to demonstrate the qualifying payroll amount.

SBA intends to promptly issue additional guidance with regard to the applicability of affiliation rules at 13 CFR §§ 121.103 and 121.301 to PPP loans.

***What are the loan terms and conditions?***

Loans will be guaranteed under the PPP under the same terms, conditions and processes as other 7(a) loans, with certain changes including but not limited to:

- The guarantee percentage is 100 percent.
- No collateral will be required.
- No personal guarantees will be required.
- The interest rate will be 100 basis points or one percent.
- All loans will be processed by all lenders under delegated authority and lenders will be permitted to rely on certifications of the borrower in order to determine eligibility of the borrower and the use of loan proceeds.

**Economy Injury Disaster Loans**

Small Businesses may qualify for Economic Injury Disaster Loans of up to \$2 million to mitigate the economic loss of our tourism industry as a result of COVID-19.

**All applications must be completed online, visit [COVID19relief.sba.gov](https://www.sba.gov/coronavirus)**

For more information on the SBA disaster assistance, contact the SBA’s Customer Service Center, call (800) 659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov). Individuals who are deaf or hard of hearing may call (800) 877-8339.

Available SBA resources and services can be found on their website: [SBA.gov/coronavirus](https://www.sba.gov/coronavirus).

**Paycheck Protection Program (PPP) vs. Economy Injury Disaster Loans (EIDL)**

If I am applying for / received an Economic Injury Disaster Loan, is my small business eligible to participate in the Paycheck Protection Program?

- Borrowers can apply for both an SBA Economic Injury Disaster Loan and the Paycheck Protection Program loan. However, the Paycheck Protection Program loan funds and the Economic Injury Disaster Loan funds cannot be used for the same purpose. The Paycheck Protection Program loan must be used for payroll (minimum of 75% of the funds received) for it to be eligible for a forgivable loan and the remaining is used for different purposes. Borrowers who accept both loan funds should document the uses of the funds appropriately.

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