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Single Mom Can't Afford A Large Payment

Client is being sued by her former landlord for \$4146.59. She admits she owes some but not all of the debt and is hoping to reduce the amount she has to pay. Court date set for 7/20/18 at 1:30pm.

Location:	Ref. #:	Case Type:
Baltimore County	18-0138741	Debt Collection

[Share Case](#) [Learn More](#)

I Admit To The Debt, But Can We Negotiate A Settlement.

Client is being sued for \$933.00 for failing to make payments towards a debt. Client agrees that she owes the debt. There are no judgments entered in the case. Client has paid approximately \$300 toward the debt and would like to work out a settlement for the remaining. Affidavit Judgment Hearing: 7/23/18 at 1:00PM. Trial: 8/3/18 at 9:00AM.

Location:	Ref. #:	Case Type:
Washington	18-0138685	Debt Collection

[Share Case](#) [Learn More](#)

You Have Left Me No Other Choice But To File For Rent Escrow.

Client wishes to initiate a rent escrow case after nothing has been done to make repairs. Client has lived in the property since October 2016 and problems in the unit began in December 2017. To date LL, has not tried to resolve the mold issue, flooding, falling attic stairs, and the hole in the ceiling.

Location:	Ref. #:	Case Type:
Baltimore County	18-0138671	Landlord-Tenant

[Share Case](#) [Learn More](#)

Landlord Requests The Move, Now Refusing My Security Deposit.

Client filed suit against her previous Landlord for the return of her security deposit and three times the amount. Client only lived in the property for 3

Looking Towards A Fresh Start.

Client seeks help with expunging her criminal record.

Here's To New Beginnings!

Client seeks to go over her criminal record with a volunteer and to have the eligible cases expunged from her record.

FREE Upcoming Training & Volunteer Opportunities:
More info: mvlslaw.org/events

Recordings of past trainings are available in the following categories:

- December 8 – Principles of Harm Reduction and its Application to Anti-Trafficking Work.
- December 8 – PPP: Recap and the Road to Forgiveness.
- December 17 – Older Adults and Financial Stability in Unstable Times.

FREE Recorded Trainings:
Go to mvlslaw.org/recorded-trainings

Recordings of past trainings are available in the following categories:

- -Consumer
- -Estate Planning & Estate Administration
- -Expungement
- -Family Law
- -Housing
- -Human Trafficking Prevention
- -Tax
- -Miscellaneous (business and soft skills)

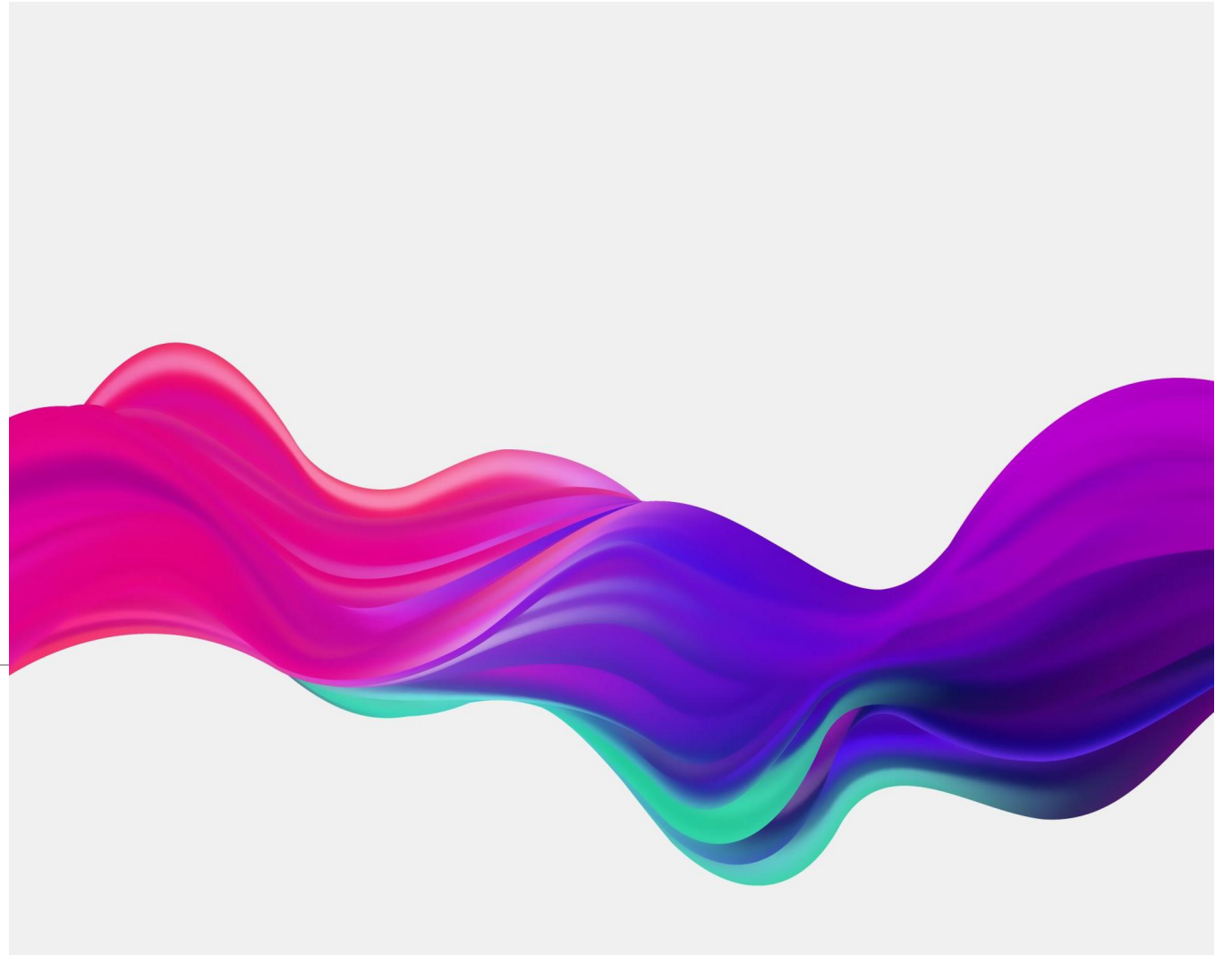
NOT AN MVLS VOLUNTEER YET?

SIGN UP TODAY!

<https://mvlslaw.org/available-cases/apply-to-be-a-volunteer-lawyer/>

PPP 2.0

MICHAEL MARCH
SENIOR ASSOCIATE
CREPEAU MOURGES



Paycheck Protection Program – Second Draw

SBA, in consultation with the U.S. Treasury Department, reopened the Paycheck Protection Program (PPP) for First Draw PPP Loans the week of January 11, 2021. SBA began accepting applications for Second Draw PPP Loans on January 13, 2021.

SBA is currently accepting Second Draw PPP loan applications from participating lenders. [Lender Match](#) can help connect you with a lender. You can also [view all lenders near you on a map](#).

At least \$25 billion is being set aside for Second Draw PPP Loans to eligible borrowers with a maximum of 10 employees or for loans of \$250,000 or less to eligible borrowers in low or moderate income neighborhoods.

- Compared to First Draw of PPP Funding

Borrowers can apply until March 31, 2021.

Applicants must have been in operation on Feb. 15, 2020

If you did not apply for the first draw you can still apply for the second draw.

Second Draw – Loan Details

The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on payroll.

Prevent overburdening the unemployment system.

PPP Loans can be used to help fund payroll costs, including benefits, and may also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations.

Second Draw – Loan Details

PPP loans have an interest rate of 1%.

Loans issued prior to June 5, 2020 have a maturity of two years. Loans issued after June 5, 2020 have a maturity of five years.

Loan payments will be deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period for the borrower's loan forgiveness (either 8 weeks or 24 weeks).

No collateral or personal guarantees are required.

Neither the government nor lenders will charge small businesses any fees.

Second Draw – Who May Qualify

Sole proprietors, independent contractors, and self-employed persons

Any small business concern that meets SBA's size standards (either the industry size standard or the alternative size standard)

Any business, 501(c)(3) non-profit organization, 501(c)(19) veteran's organization, or tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:

- 500 employees, or
- That meets the SBA industry size standard if more than 500

Any business with a NAICS code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location

Second Draw – Who does not qualify

The Economic Aid Act also prohibits several additional categories of borrowers from receiving a Second Draw PPP Loan under section 7(a)(37) of the Small Business Act.

A business concern or entity primarily engaged in political activities or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or that describes itself as a think tank in any public documents;

Certain entities organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or with other specified ties to the People's Republic of China or the Special Administrative Region of Hong Kong;

Any person required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612);

A person or entity that receives a grant for shuttered venue operators under section 324 of the Economic Aid Act;

Entities in which the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person owns, controls, or holds at least 20 percent of any class of equity; or

A publicly traded company, defined as an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

Second Draw – Who does not qualify

Subsection (e)(9) of this IFR provides that an entity that has previously received a Second Draw PPP Loan may not receive another Second Draw PPP Loan, as required by the Economic Aid Act.

In addition, subsection (e)(9) of this IFR provides that an entity that has previously received a Second Draw PPP Loan may not receive another Second Draw PPP Loan, as required by the Economic Aid Act.

Subsection (e)(9) also prohibits an entity that has permanently closed from receiving a Second Draw PPP Loan because paragraph 7(a)(37)(A)(iv) of the Small Business Act is best understood to describe existing businesses.

The Administrator, in consultation with the Secretary, has determined this provision is also necessary to maintain program integrity, prevent abuse, and preserve the availability of Second Draw PPP Loan funds for businesses still in operation. Preserving funds for such businesses is necessary because only businesses that are still in operation will retain employees, which is a primary purpose of the PPP. A borrower that has temporarily closed or temporarily suspended its business remains eligible for a Second Draw PPP Loan

What about criminal acts of owners?

What about businesses with delinquent licenses?

Second Draw – Who does not qualify

SBA may review any PPP loan, as the Administrator deems appropriate. 32 Subsection (i) of the IFR establishes procedures relating to the handling of a Second Draw PPP Loan application by a borrower whose First Draw PPP Loan is under review by SBA (“unresolved borrower”).

If a borrower’s First Draw PPP loan is under review by SBA and/or information in SBA’s possession indicates that the borrower may have been ineligible for 31 Paragraph 7(a)(37)(N) of the Small Business Act. 32 85 FR 33010, 33012.

The First Draw PPP Loan it received or for the loan amount it received, the lender will receive notification from SBA when the lender submits an application for a guaranty of a Second Draw PPP Loan and will not receive an SBA loan number until the issue related to the unresolved borrower’s First Draw PPP Loan is resolved.

These procedures are designed to promote compliance with the eligibility requirements for Second Draw PPP Loans by preventing additional loans from being made to borrowers that were not eligible for a First Draw PPP Loan or received an impermissible loan amount. At the same time, these procedures do not disqualify an eligible unresolved borrower from receiving a Second Draw PPP Loan, in recognition that many flags will be resolved in the borrower’s favor. The Administrator, in consultation with the Secretary, has determined that these procedures strike an appropriate balance between promoting program integrity and preventing abuse, while making Second Draw PPP Loans available to all eligible borrowers as expeditiously as possible. SBA will set aside available appropriations to fund Second Draw PPP Loans applied for by unresolved borrowers in the event they are approved.

Second Draw – The 25% Rule

The main qualifier for the 2nd Draw PPP loan is that the company must have a 25% reduction in revenue comparing one quarter in 2020 to the same quarter in 2019.

For loans with a principal amount greater than \$150,000, the applicant must submit documentation and or information to substantiate the 25% rule when applying.

If the loan is less than \$150,000 the test is administered when asking for loan forgiveness – each lender may process this differently.

Profit and Loss				
April - June, 2020				
	Total			
	Apr - Jun, 2020	Apr - Jun, 2019 (PY)	Change	% Change
Income				
47900 Sales	113,458.48	204,562.50	-91,104.02	-44.54%
48900 Shipping and Delivery Income	2,621.12	4,500.01	-1,878.89	-41.75%
Square Income	7,797.50	839.19	6,958.31	829.17%
Uncategorized Income		41.50	-41.50	-100.00%
Total Income	\$123,877.10	\$209,943.20	-\$ 86,066.10	-40.99%

Second Draw – NAICS Code

A NAICS Code is a classification within the North American Industry Classification System. The NAICS System was developed for use by Federal Statistical Agencies for the collection, analysis and publication of statistical data related to the US Economy. Provided on Applicant's tax returns. There is also a database at NAICS.com.

NAICS Codes that start with 72 – receive 3.5 times monthly payroll. Generally, accommodation and food services.

Second Draw — NAICS Codes

Subsector 721—Accommodation

721110 Hotels (except Casino Hotels) and Motels

721120 Casino Hotels

721191 Bed-and-Breakfast Inns

721199 All Other Traveler Accommodation

721211 RV (Recreational Vehicle) Parks and Campgrounds

721214 Recreational and Vacation Camps (except Campgrounds)

721310 Rooming and Boarding Houses, Dormitories, and Workers' Camps

Subsector 722—Food Services and Drinking Places

722310 Food Service Contractors

722320 Caterers

722330 Mobile Food Services

722410 Drinking Places (Alcoholic Beverages)

722511 Full-Service Restaurants

722513 Limited-Service Restaurants

722514 Cafeterias, Grill Buffets, and Buffets

722515 Snack and Nonalcoholic Beverage Bars

Second Draw – How to Calculate Loan Amounts

Self Employed Individuals - If you are self-employed and have no employees, and your principal place of residence is in the United States, including if you are an independent contractor or operate a sole proprietorship (but not if you are a partner in a partnership):

- **Step 1:** Find your 2019 IRS Form 1040 Schedule C line 31 net profit amount. If this amount is over \$100,000, reduce it to \$100,000. If this amount is zero or less, you are not eligible for a PPP loan.
- **Step 2:** Calculate the average monthly net profit amount (divide the amount from Step 1 by 12).
- **Step 3:** Multiply the average monthly net profit amount from Step 2 by 2.5
- **Step 4:** Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Your 2019 IRS Form 1040 Schedule C must be provided to substantiate the applied-for PPP loan amount. You must also provide a 2019 IRS Form 1099-MISC detailing nonemployee compensation received (box 7), IRS Form 1099-K, invoice, bank statement, or book of record establishing you were self-employed in 2019 and a 2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.

Second Draw – The Application

**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One:		<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable)	Year of Establishment (if applicable)
Business Legal Name		NAICS Code			
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN)	Business Phone		
		Primary Contact	Email Address		
Average Monthly Payroll:	\$	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$	Number of Employees (including affiliates, if applicable; may not exceed 300):	
Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):	
PPP First Draw SBA Loan Number:					
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):		Reference Quarter (e.g., 2Q 2019):		
	Gross Receipts:	\$	Gross Receipts:	\$	

Applicant Ownership
List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? <i>Initial here to confirm your response to question 4 →</i>		
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant (1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? <i>Initial here to confirm your response to question 5 →</i>		
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?		
7. Is the Applicant a franchise?		
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here:		

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074
2020
Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service (IRS) **Go to www.irs.gov/ScheduleC for instructions and the latest information.**
▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor: _____ Social security number (SSN): _____

A Principal business or profession, including product or service (see instructions) **B** Enter code from instructions

C Business name. If no separate business name, leave blank. **D** Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) _____
City, town or post office, state, and ZIP code

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____

G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses. Yes No

H If you started or acquired this business during 2020, check here. ▶ Yes No

I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions. Yes No

J If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1
2 Returns and allowances	2
3 Subtract line 2 from line 1	3
4 Cost of goods sold (from line 42)	4
5 Gross profit. Subtract line 4 from line 3	5
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7 Gross income. Add lines 5 and 6	7

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8	18 Office expense (see instructions)	18
9 Car and truck expenses (see instructions)	9	19 Pension and profit-sharing plans	19
10 Commissions and fees	10	20 Rent or lease (see instructions):	
11 Contract labor (see instructions)	11	a Vehicles, machinery, and equipment	20a
12 Depletion	12	b Other business property	20b
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21 Repairs and maintenance	21
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22
15 Insurance (other than health)	15	23 Taxes and licenses	23
16 Interest (see instructions):		24 Travel and meals:	
a Mortgage (paid to banks, etc.)	16a	a Travel	24a
b Other	16b	b Deductible meals (see instructions)	24b
17 Legal and professional services	17	25 Utilities	25
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	26 Wages (less employment credits)	26
29 Tentative profit or (loss). Subtract line 28 from line 7	29	27a Other expenses (from line 48)	27a
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	b Reserved for future use	27b
31 Net profit or (loss). Subtract line 30 from line 29.	31		

32a All investment is at risk.
32b Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11334P Schedule C (Form 1040) 2020

Second Draw – How to Calculate Loan Amounts

How is the maximum First Draw PPP Loan amount calculated for S corporations and C corporations (up to \$10 million)?

Step 1: Compute 2019 payroll costs by adding the following: 2019 gross wages and tips paid to your employees whose principal place of residence is in the United States, up to \$100,000 per employee, which can be computed using:

- 2019 IRS Form 941 Taxable Medicare wages & tips (line 5c- As of January 17, 2021 column 1) from each quarter, Plus any pre-tax employee contributions for health insurance or other fringe benefits excluded from Taxable Medicare wages & tips, Minus (i) any amounts paid to any individual employee in excess of \$100,000, and (ii) any amounts paid to any employee whose principal place of residence is outside the United States; o 2019 employer group health, life, disability, vision, and dental insurance contributions (portion of IRS Form 1120 line 24 or IRS Form 1120-S line 18 attributable to those contributions);7 o 2019 employer retirement contributions (IRS Form 1120 line 23 or IRS Form 1120-S line 17); and o 2019 employer state and local taxes assessed on employee compensation, primarily state unemployment insurance tax (from state quarterly wage reporting forms).

Step 2: Calculate the average monthly payroll costs (divide the amount from Step 1 by 12).

Step 3: Multiply the average monthly payroll costs from Step 2 by 2.5

Step 4: Add the outstanding amount of any EIDL made between January 31, 2020 and April 3, 2020 that you seek to refinance. Do not include the amount of any advance under an EIDL COVID-19 loan (because it does not have to be repaid).

Second Draw – The Application

**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One:		<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable)	Year of Establishment (if applicable)
Business Legal Name		NAICS Code			
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN)	Business Phone		
		Primary Contact	Email Address		
Average Monthly Payroll:	\$	x 2.5 (or x 3.5 for NAICS 72 applicants) equals: Loan Request Amount (may not exceed \$2,000,000):	\$	Number of Employees (including affiliates, if applicable, may not exceed 300):	
Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain): _____	
PPP First Draw SBA Loan Number: _____					
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):		Reference Quarter (e.g., 2Q 2019):		
	Gross Receipts:	\$	Gross Receipts:	\$	

Applicant Ownership
List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____		
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant (1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____		
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?		
7. Is the Applicant a franchise?		
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____		

941 for 2020: Employer's QUARTERLY Federal Tax Return

950120
OMB No. 1545-0029

Form 941 (Rev. July 2020) Department of the Treasury - Internal Revenue Service

Employer identification number (EIN)	
Name (not your trade name)	
Trade name (if any)	
Address	
Number Street State or room number	
City State ZIP code	
Foreign country name Foreign province/county Foreign postal code	

Report for this Quarter of 2020 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Go to www.irs.gov/Form941 for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1	Number of employees who received wages, tips, or other compensation for the pay period including: Sept. 12 (Quarter 3) or Dec. 12 (Quarter 4)	1	
2	Wages, tips, and other compensation	2	
3	Federal income tax withheld from wages, tips, and other compensation	3	
4	If no wages, tips, and other compensation are subject to social security or Medicare tax	<input type="checkbox"/> Check and go to line 6.	

	Column 1	Column 2
5a Taxable social security wages	× 0.124 =	
5a (i) Qualified sick leave wages	× 0.062 =	
5a (ii) Qualified family leave wages	× 0.062 =	
5b Taxable social security tips	× 0.124 =	
5c Taxable Medicare wages & tips	× 0.029 =	
5d Taxable wages & tips subject to Additional Medicare Tax withholding	× 0.009 =	

5e Total social security and Medicare taxes. Add Column 2 from lines 5a, 5a(i), 5a(ii), 5b, 5c, and 5d	5e	
5f Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions)	5f	
6 Total taxes before adjustments. Add lines 3, 5e, and 5f	6	
7 Current quarter's adjustment for fractions of cents	7	
8 Current quarter's adjustment for sick pay	8	
9 Current quarter's adjustments for tips and group-term life insurance	9	
10 Total taxes after adjustments. Combine lines 6 through 9	10	
11a Qualified small business payroll tax credit for increasing research activities. Attach Form 8974	11a	
11b Nonrefundable portion of credit for qualified sick and family leave wages from Worksheet 1	11b	
11c Nonrefundable portion of employee retention credit from Worksheet 1	11c	

You MUST complete all three pages of Form 941 and SIGN it. Next
 For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 170012 Form 941 (Rev. 7-2020)

First Draw – Loan Forgiveness

First Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:

Employee and compensation levels are maintained

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.

A borrower can apply for forgiveness once all loan proceeds for which the borrower is requesting forgiveness have been used. Borrowers can apply for forgiveness any time up to the maturity date of the loan. If borrowers do not apply for forgiveness ***within 10 months*** after the last day of the covered period, then PPP loan payments are no longer deferred, and borrowers will begin making loan payments to their PPP lender.

Second Draw – Loan Forgiveness

Second Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8 to 24 week covered period following loan disbursement:

Employee and compensation levels are maintained in the same manner as required for the First Draw PPP 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

First Draw – Loan Forgiveness

1. Contact your PPP Lender and complete the correct form:

Your Lender can provide you with either the SBA Form 3508, SBA Form 3508EZ, SBA Form 3508S, or a Lender equivalent.

The 3508EZ and the 3508S are shortened versions of the application for borrowers who meet specific requirements. Your Lender can provide further guidance on how to submit the application.

First Draw – Loan Forgiveness



Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address		Business TIN (EIN, SSN)	Business Phone
		()	
		Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____ Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

Weekly Biweekly (every other week) Twice a month Monthly Other _____

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): _____

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: _____

Line 4. Business Utility Payments: _____

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): _____

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: _____

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): _____

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): _____

Line 9. PPP Loan Amount: _____

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60): _____

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10): _____



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PPP Schedule A

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: _____

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: _____

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:
If the average annual salary or hourly wage for each employee listed on the PPP
Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll
Covered Period was at least 75% of such employee's average annual salary or hourly
wage between January 1, 2020 and March 31, 2020, check here and enter 0 on line 3. _____

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2: _____

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2: _____

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance: _____

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans: _____

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation: _____

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners:
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is
more than one individual included, attach a separate table that lists the names of and
payments to each. _____

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9): _____

Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy any of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter 1.0 on line 13; otherwise, complete lines 11, 12, and 13:

No reduction in employees or average paid hours: If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here .

FTE Reduction Safe Harbor 1: If you were unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here .

FTE Reduction Safe Harbor 2: If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here .

Line 11. Average FTE during the Borrower's chosen reference period: _____

Line 12. Total Average FTE (add lines 2 and 5): _____

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: _____

First Draw – Loan Forgiveness

Compile your documentation:

Payroll (*provide documentation for all payroll periods that overlapped with the Covered Period or the Alternative Payroll Covered Period*):

- Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees
- Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period:
 - Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
 - State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state
- Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the borrower included in the forgiveness amount

Non-payroll (*for expenses that were incurred or paid during the covered period and showing that obligations or services existed prior to February 15, 2020*):

- Business mortgage interest payments: Copy of lender amortization schedule and receipts verifying payments, or lender account statements
- Business rent or lease payments: Copy of current lease agreement and receipts or cancelled checks verifying eligible payments
- Business utility payments: Copies of invoices and receipts, cancelled checks or account statements

This list of documents required to be submitted to the Lender is not all-inclusive.

First Draw – Fraud

\$4 billion in potential Paycheck Protection Program fraud identified. On September 1, 2020, the Select Subcommittee identified more than \$4 billion in potentially fraudulent PPP loans, and referred them to the Inspectors General at Treasury and SBA for further examination

So far, the Justice Department has brought criminal charges against more than 80 people accused of stealing at least \$127 million from the relief program

In more than a dozen interviews, bank executives described the fraudsters' methods. Many attempts were lazy and unsophisticated, like listing employees who all made the same salary. Others had many employees collecting a monthly paycheck of \$8,333, reflecting a \$100,000 salary, the largest that a Paycheck Protection Program loan could be used to subsidize.

Fabricated documents were also common: doctored payroll lists, faked business tax returns and modified bank statements. One lender, who asked for anonymity to describe her company's security measures, used a software tool to detect alterations on PDF files; it flagged thousands of forgeries.

Criminal Complaint against man in Hawaii - bluster and threats - Martin Kao, obtained \$12.8 million in loans from the program by lying about his company's head count and payroll, according to prosecutors. When a local bank hesitated to approve his application, Mr. Kao barraged its employees with emails, claimed he worked "very closely" with government officials and demanded to know if the bank's executives were "willing to get onto a call with Congress." A few days later, the bank approved his loan. (Mr. Kao and his lawyer did not respond to requests for comment.)

First Draw – Fraud

One large unidentified lender on about 131,000 approved or pending loans, Clearforce found 181 applicants had recent felony convictions — a clear violation of the program’s rules. If that rate held across all of the program’s 5.2 million borrowers, that would mean about \$1 billion in improper loans went to felons

Smaller loans are mostly flying through the forgiveness process but those over \$2 million received increased levels of scrutiny and many are still waiting loan forgiveness approval.

“We’re concerned that we’re going to get stuck and have trouble getting our money back from the government on some loans,” said Ira Robbins, the chief executive of Valley National Bank, which made nearly 13,000 loans. NY Times

“There’s more fraud associated with unemployment payments, and no one is talking about closing the unemployment program,” Mr. Robbins said. “There’s a huge need for more stimulus, and over all, I think the government did a really good job in the speed with which they got this aid out.”

<https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/InterimStaffReport10.30.20.pdf>

- Lending connections were very important on the first draw