

SBA Paycheck Protection Program Loan



SBA Paycheck Protection Program Loan: Application Guide

We recommend referencing this document while filling out your application. Re-download this document to be sure you have our most up to date guide, it is updated regularly.

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What to consider before you apply

Throughout the application, we have provided guidance on how to best input data to ensure it aligns with the SBA process. Please review the next section completely and refer back to it regularly throughout the application process.

What information will I need when applying?

When preparing to apply for a Paycheck Protection Program loan, we recommend that business owners gather the following information to apply with Capital One:

- Date of business origination and business address
- Business Employer Identification Number (EIN)
- Third party payroll summary documents or company-prepared payroll summary documents for 2019 or the last 12 months
- Business tax returns for 2019 or the last 4 quarters
 - Last 4 IRS Form 941s or last IRS Form 944 (applies to most businesses)
 - 1040 Schedule C for sole proprietors
 - 1096 or 1099-MISC for independent contractors
- Copy of your government-issued ID

All documents must be saved as .pdf, .xls, .xlsx, .jpg, .jpeg or .png.

I have several businesses - which business do I need to use to begin the application process?

Your application must include the EIN and legal business name of a business that has an eligible Capital One business checking or small business savings account. You must include that business' account information (e.g., account number, routing number) in the loan disbursement section of the application.

Are these loans forgiven?

The Treasury Department and SBA have provided guidance on loan forgiveness for Paycheck Protection Program loans (principal and accrued interest):

- Paycheck Protection Program loans will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (non-payroll costs are limited to 25 percent of the forgiveness amount)
 - Employers must keep employees on the payroll, or rehire them quickly to receive loan forgiveness
 - Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels
 - Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease
- Other terms and conditions may apply, based on guidelines and requirements set by the Treasury Department or SBA
- Forgiveness is not automatic, and will require the submission of additional information and certifications to Capital One

Note: Additional guidance from the Treasury Department and SBA may change the requirements for forgiveness.

What if all or part of my loan is not forgiven?

You will be responsible for repayment under the loan for any principal and interest amounts not forgiven.

How do I go back to my application?

Small business customers: You can go back to your application by logging on to your online account at www.capitalone.com, clicking on the Paycheck Protection Program banner, clicking through the page(s) and selecting "Go to My Application."

Commercial customers: You can go back to your application by referencing the link provided in the email you received at the beginning of the process, or by going directly to this website: <https://commercial.capitalone.com>. After logging in you will have a one-time pin sent to your cell phone via SMS. Once you have entered this pin you will be able to click back to your application.

Where do I find guidance and FAQs from the SBA and Treasury regarding the Paycheck Protection Program?

The Treasury Department maintains a website with many resources and tools: please click [here](#). The guidance comes in a number of different formats, including an interim final rule and FAQs, and is updated from time to time. Please consult your legal or other advisors to understand the Paycheck Protection Program requirements and how they apply to you. As a bank, we are unable to provide advice regarding the Paycheck Protection Program requirements.

Can I submit multiple applications?

Multiple applications from the same applicant will be accepted as long as they are for different legal entities in accordance with SBA guidelines.

Can you clarify if a nonsigner can complete the application or does it need to be a signer?

The same individual needs to complete the application, including:

1. Serving as the authorized representative that signs the application,
2. Serving as the "Primary Contact" on the application and
3. Serving as the signatory for the Promissory Note.

That individual does not need to be an authorized signatory on the Capital One bank account, but we will rely on their representation that they are authorized to complete the application on behalf of the company.

Completing and managing your application

Please make sure the contact information you put on the Personal Information tab is accurate, as that is how we will contact applicants about the status of their application.

IMPORTANT: Incorrect entry or omission of required data may delay your application. While filling out the application, make sure the amounts you enter match your supporting documents and be sure to double check your work.

Please reference these standards as you input information into the digital application:

- **Business Phone Number** is a required field.
- **For all "Phone" fields (e.g., business, personal):** please use a 10-digit phone number with no dashes and no country code. For example, "1234567890".
- For all addresses, Street, City State, and 5-digit Zip are **required**.
- All State values must use **capitalized two-digit state codes**. Please reference the list at the end of this document.

I am an LLC but file my taxes as an S Corporation - which do I use?

We are unable to provide guidance on this question. Please consult with your tax advisor if you cannot make that determination on your own.

What ownership structure type should I select if I am applying on behalf of a non-profit?

Pick the ownership structure that best represents the entity for which you are applying.

It looks like there are two places to enter the "Ownership Percent" for my business, i.e., both in the Personal Info section and the Applicant Ownership section. Should I enter "Ownership Percent" in both sections?

No, you should enter "Ownership Percent" only once, as follows:

- In the "Personal Info" section, do not enter any information in the "Ownership Percent" field. Complete the other fields.
- In the "Applicant Ownership" section, please enter the "Ownership Percent" information. Complete the other fields.
- If you enter Ownership Percent information in both sections, the system may not be able to process your application.

Do health insurance costs qualify?

Guidance on what can be included in a Paycheck Protection Program loan is available on the Treasury Department's website: please click [here](#) to access.

On IRS Form 941, can I use Line 5c as opposed to Line 2, as it is more inclusive?

We are unable to provide guidance on the IRS 941 Form. Please consult with your tax advisor if you cannot make that determination on your own.

I don't know my NAICS code - how do I find it?

Use the search function within the application and select the code that best represents your business. We cannot tell you what to choose. Please consult with your tax advisor if you cannot make that determination on your own.

At the end of the first screen, if I click the Next button, will my work be lost?

Next will advance you to the next screen to continue completing the application. You can also choose Save & Continue Later if you are more comfortable saving after this step.

My company's health insurance doesn't run through my payroll. Can I still include it?

Guidance on what can be included in a Paycheck Protection Program loan is available on the Treasury Department's website: please click [here](#) to access.

You will be asked to upload supporting documentation for your expenses. If health insurance costs are not included on your business tax returns or payroll documentation, you will need to upload supporting documentation specific to your health insurance costs.

What qualifies as "payroll costs" for Paycheck Protection Program loans?

Under the SBA's interim final rule, "payroll costs" consist of:

- Compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation
- Cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips);
- Payment for vacation, parental, family, medical, or sick leave;
- Allowance for separation or dismissal;
- Payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement;
- Payment of state and local taxes assessed on compensation of employees; and
- For an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation

The SBA also has issued FAQs that further discuss matters related to payroll costs, and other aspects of the Paycheck Protection Act program. Guidance on the Paycheck Protection Program loan is available on the Treasury Department's website: please click [here](#).

What amounts should I include in the payroll fields in the application?

The total of the amounts in the payroll fields is used to determine your loan amount. However, you can only include amounts in payroll that are substantiated by documents that you provide to us.

You are not required to claim an amount for every payroll field. If you cannot provide documentation to substantiate an amount, you should leave that field blank or enter "0".

How is my maximum loan amount determined?

Your maximum loan amount is set by SBA requirements. Generally, the loan amount will be your average monthly payroll costs for 2019 or for the last 12 months multiplied by 2.5. However, some adjustments and exclusions apply. Note that your maximum loan amount will also include your Economic Injury Disaster Loan, if you received one.

Seasonal Businesses: You may use the period between February 15, 2019 through June 30, 2019 or March 1, 2019 through June 30, 2019

New Businesses: Businesses not in operation during the period between February 15, 2019 and June 30, 2019 should use the period between January 1, 2020 and February 29, 2020

I just received an error message that says "Based on the inputs provided, the Calculated Loan Amount is > \$10 million. Under the Paycheck Protection Program, the maximum loan amount is \$10 million." What do I do?"

This error message will appear if the dollar amounts you input into section A.1 "Payroll Costs" produces an expected loan amount of greater than \$10 million.

To address this, you may input dollar amounts in the Payroll Costs section that are less than amounts shown on the documentation you submit.

Please use the drop down field, "Other Form of Payroll Documents" to input these lower dollar amounts in order to calculate a loan amount of \$10 million or less. Also, please provide supporting documentation. All documentation provided must clearly substantiate the inputs entered for Payroll Costs.

Do I have another option other than IRS Form 941?

Yes, if you go back to the drop down menu under Section A.1 where you selected IRS Form 941 on the Payroll Calculation screen, you will see alternative options for using different documentation to calculate your loan amount.

I've filled out the Payroll Calculation screen, what documentation do I need to provide?

Once you submit the application and get to the dashboard, please provide all documentation to substantiate your payroll inputs. This should include either third party payroll summary documents or company prepared payroll summary documents for 2019 or the last 12 months. This must tie to the information provided in the application.

How do I know I'm done with my application?

You are done after you have submitted your application and uploaded all of the required documents per the SBA guidelines.

Can I edit an application after submitting?

No, please ensure that your application is complete before you submit it.

Uploading documents

Where and when do I upload backup/supporting documentation?

After you complete and submit your application, click on Next Steps to go to the document upload tool.

What should I upload?

Please upload all documentation that substantiates your application, including tax forms, health insurance forms, and a payroll summary substantiating all amounts in the calculation came from. This documentation will be used to verify the loan amount requested in connection with processing your loan application.

What documents should I provide to substantiate the payroll fields?

Payroll information can be substantiated using:

- IRS Forms 941, 944, 1040 Schedule C for sole proprietors, or 1096 or 1099-MISC for independent contractors
- Documents prepared by a third-party payer such as a payroll provider or a Professional Employer Organization that processes payroll and reports payroll taxes
- A payroll summary prepared by a third party or by your business
- Documents substantiating the amounts entered in the payroll summary, including a payroll summary showing where all amounts in the calculation came from.

The application is not allowing me to upload my document. What do I do?

All documents must be saved as .pdf, .xls, .xlsx, .jpg, .jpeg or .png. The file size limit is 15MB. Documents over this size must be either reduced in size or split into multiple documents. Documents may not be zipped and uploaded.

If you receive an error as you upload your document, we recommend double checking to ensure that it meets the requirements noted above, then trying again.

I can't upload more than one document in each document slot on the "Upload Documents" section of the "Dashboard." What do I do?

The application only allows a single document to be uploaded within each document slot (e.g., Form 941).

However, additional documentation (e.g., additional Form 941s) may be uploaded in the "Other Documents" slot. Please ensure that you include your business entity name and document type in the file name.

You will see the document upload successfully; however, the document will not be visible in the "Show Previously Completed" section. The Capital One processing team will be able to access the uploaded documentation.

After you've applied

When will I receive a response to my application?

The time it takes for us to process your application will depend on a number of factors, including the types of documentation you submit. It is important that you complete your application accurately with the required documents. Inaccurate and/or incomplete documentation will impact how quickly we can process the application. Our ability to fully submit your application to the SBA is dependent upon the quality of what you submit.

Once approved, when and how will I receive my loan proceeds?

If your application is approved by the SBA, Capital One will contact you and provide you with a promissory note for execution. That promissory note must be signed and returned to Capital One for you to receive the proceeds of the loan. We will then deposit your loan proceeds into the Capital One business checking or business savings account that is associated with your application.

State Codes for Reference

State	State Code	State	State Code	State	State Code
Alabama	AL	Louisiana	LA	Oklahoma	OK
Alaska	AK	Maine	ME	Oregon	OR
Arizona	AZ	Maryland	MD	Puerto Rico	PR
Arkansas	AR	Massachusetts	MA	South Carolina	SC
California	CA	Michigan	MI	Rhode Island	RI
Colorado	CO	Minnesota	MN	South Dakota	SD
Connecticut	CT	Mississippi	MS	Tennessee	TN
Delaware	DE	Missouri	MO	Texas	TX
District of Columbia	DC	Montana	MT	Utah	UT
Florida	FL	Nebraska	NE	Vermont	VT
Georgia	GA	Nevada	NV	Virgin Islands	VI
Hawaii	HI	New Hampshire	NH	Virginia	VA
Idaho	ID	New Jersey	NJ	Washington	WA
Illinois	IL	New Mexico	NM	West Virginia	WV
Indiana	IN	New York	NY	Wisconsin	WI
Iowa	IA	North Carolina	NC	Wyoming	WY
Kansas	KS	North Dakota	ND		
Kentucky	KY	Ohio	OH		