



TO: The 400 Foundation Partners and Friends
FROM: The 400 Foundation, Inc. a 501c4 Advocacy Organization
DATE: April 6, 2020
RE: Paycheck Protection Program **IMPORTANT UPDATE**

If you're reading this email, then we have a reason to thank God. Let us continue to pray for our world and keep the faith!

Paycheck Protection Program (PPP) Update:

The PPP is a part of the COVID-19 spending package that is designed to help churches, not for profits, and small businesses keep their full staff on payroll for two months. If all conditions of the loan are satisfied, the loan is forgivable. For more information visit: [Paycheck Protection Program](#)

This is a brand-new program, so the launch suffered some major setbacks. The SBA issued guidance the night before the program launch, many banks were not up and running, and many are still working through implementation challenges.

The Challenge:

Many lending institutions have taken the position that they will only be able to process PPP applications for existing customers due to the SBA guidance and implantation issues. The rationale is that this disadvantages the customers who have been loyal to the lending institutions by adding to the bottleneck with non-customers.

I have conducted a survey with several pastors who shared that their churches do not bank with an PPP participating lending institutions. This is becoming a barrier to churches so we needed a solution.

Possible Solution:

We need you on this call to demonstrate the need! The 400 Foundation is working to facilitate a relationship with a major financial institution. The goal is to help churches establish relationships with a lending institution, by setting up a checking account. Once the checking accounts are set up, the current barrier to non-customers is possibly overcome. The specifics of the account will be addressed on the call tomorrow by the financial institution.

If you have an account with an PPP lender, then it is strongly advised that you work with that lender. If you do not, this may be a possible means to quickly apply for the Paycheck Protection Program while funds are still available.

Follow Up Answers to questions that have been asked:

A good article about the delay and answers to some helpful clarifications on the 1) how to calculate your applicable payroll amounts, 2) how to handle 1099 contractors, 3) the \$100,000 salary cap, and 4) how to calculate employer federal income tax withholdings and payroll taxes on employee wages.

<https://www.forbes.com/sites/anthonymitti/2020/04/05/paycheck-protection-program-loans-three-things-the-sba-and-banks-need-to-agree-on-now/#593efb951a32>

One additional update is that the loan now has an interest rate of 1% on a two-year term, with payments deferred for six months, if you do not comply with the requirement to maintain your full staff for two months.

Who we are:

The 400 Foundation, Inc. is a 501(c)4 founded to organize and mobilize the faith-based community and memorialize the 400th anniversary of forced slavery as an economic system in North America. The 400 Foundation is a political and economic moral movement to accelerate the forward movement of Black people.

We look forward to

Working for you,

Rev. Reginald Lee Bachus
The 400 Foundation, Inc.
President