

# U.S. Small Business Administration Office of Capital Access

National Community Reinvestment Coalition  
January 19, 2021



# **Paycheck Protection Program (PPP)**

## **Re-Launch Overview**

**January 2021**

This presentation is developed to provide a general overview of PPP loan processes related to provisions in the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Economic Aid Act). In the event of any inconsistency between this presentation and the Economic Aid Act, the Paycheck Protection Program Flexibility Act of 2020, the CARES Act, PPP IFRs, PPP FAQs, PPP Application Forms and Instructions, and other PPP guidance (together, official guidance), the official guidance governs.



## Access to Capital

To ensure increased access to PPP for minority, underserved, veteran, and women-owned business concerns, SBA is undertaking the following steps, among others:

- When the PPP First Draw and then the PPP Second Draw loan portal re-opens, the initial launch will accept loan applications first from Community Financial Institutions (CFIs). CFIs include Community Development Financial Institutions, Minority Depository Institutions, Certified Development Companies, and Microloan Intermediaries.
- Lender Match will direct borrower inquiries to these mission-based lenders, who generally assist the underserved communities.
- SBA will continue setting aside dedicated hours to process and assist our smallest PPP lenders with their PPP loans.

# First Draw Loans & Forgiveness Updates

- Eligible applicants that **did not** receive a PPP loan prior to August 8, 2020, will now have the ability to apply for a PPP First Draw Loan before March 31, 2021.
- Eligibility for PPP loans has been revised to include additional types of entities.
- Covered eligible expenses **expanded** and now includes the following: payroll costs, rent, mortgage interest, utilities, **operations expenditures, property damage costs, supplier costs, and worker protection expenditures.**
- Certain borrowers may request an increase to their original PPP loan amount.



Paycheck Protection Program

## WHO CAN APPLY FOR PPP FIRST DRAW LOAN

- Business entities (e.g., partnerships, corporations, LLCs)
- Sole proprietors, independent contractors, self-employed individuals
- 501(c)(3)
- **501(c)(6)**
- 501(c)(19) Veterans organization
- Tribal business, and
- **Housing cooperatives, destination marketing organizations, and eligible news organizations.**

Must comply with size standards, eligibility criteria, and certain limitations.

## FORGIVENESS UPDATES

- Borrower now has the option to **select** a covered period during which they can use PPP loan proceeds anytime between 8 and 24 weeks after disbursement.
- SBA **will no longer** deduct EIDL advances from forgiveness payment.
- If lender has already received a forgiveness payment net of an EIDL Advance, SBA will provide a reconciliation payment to lender to be applied to the outstanding loan balance.
- Under development: simplified forgiveness application for loans \$150K and under.

# PPP Second Draw Loans

Eligible borrowers that previously received a PPP First Draw Loan may apply for a PPP Second Draw Loan of up to \$2 million with the same general loan terms as their PPP First Draw Loan.

- For most borrowers, the maximum loan amount of a PPP Second Draw Loan is 2.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- For borrowers in the Accommodation and Food Services sector (NAICS 72), the maximum loan amount for a PPP Second Draw Loan is 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- PPP Second Draw Loan applicants must use the new SBA Form 2483-SD Borrower Application.

## **WHO CAN APPLY FOR PPP SECOND DRAW LOAN**

Targeted Eligibility, a borrower is generally eligible for a PPP Second Draw Loan if the borrower:

- Was eligible for and previously received a PPP First Draw Loan
- Has or will use the full loan amount only for eligible expenses before the PPP Second Draw Loan is disbursed;
- Has no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.



# PPP Lender Resources



**Phone:** SBA PPP Lender Hotline – +1 (833) 572-0502



## **PPP Platform Resources:**

Platform users may initially create up to 300 active users for each institution. We recommend that no more than two users be Authorizing Officials.

**SBA PPP Platform:** <https://forgiveness.sba.gov>



**Web:** [www.SBA.gov/ppp](http://www.SBA.gov/ppp)

- [SBA PPP Website](#)
- [Treasury PPP Website](#)
- For technical Platform questions: [Platform Inbox](#)
- [SBA Paycheck Protection Platform User Guide 1-10-21](#)

# General Public Resources



**Web:** [Paycheck Protection Program \(sba.gov\)](https://www.sba.gov)

- Interim Final Rules & Guidance
- Borrowers & Lenders Applications and Instructions

**Office of Disaster Assistance (Disaster/EIDL):**

- General questions: DisasterCustomerService@sba.gov or 833-572-0502