



Paycheck Protection Program Re-Launch Overview

This presentation provides a general overview of the PPP 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 PPP 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.

Agenda

- 1 First Draw PPP Loans
- 2 Second Draw PPP Loans
- 3 Forgiveness Updates
- 4 What to do Now / Additional Resources

Summary of All PPP Approved Lending

Loans Approved	Total Net Dollars	Total Lender Count
6,820,913	\$648,182,482,994	5,469

Summary of 2021 PPP Approved Lending

Loans Approved	Total Net Dollars	Total Lender Count
1,673,707	\$125,750,604,760	5,141

Approvals through 02/15/2021

What is a First Draw PPP Loan?

For eligible applicants that did not receive a PPP loan prior to Aug. 9, 2020

- PPP loan eligibility now includes additional types of entities.
- Covered eligible expenses are expanded.
- Borrowers can now select a covered period to use PPP loan proceeds anytime between 8 and 24 weeks after disbursement.
- Certain borrowers may request an increase to their original PPP loan amount.
- Must apply **on or before March 31, 2021**, or until Congressional appropriations expire.



First Draw PPP Loan Eligibility

Must comply with size standards, eligibility criteria & certain limitations

Newly Eligible

- Housing cooperatives
- Destination marketing organizations
- Certain 501(c)(6) organizations such as Chambers of Commerce
- Eligible news organizations

Still Eligible

- Business entities (e.g., partnerships, corporations, LLCs)
- Sole proprietors, independent contractors, self-employed individuals
- 501(c)(3) non-profit organizations
- 501(c)(19) Veterans organization
- Tribal businesses



Forgivable Expenses

- Payroll costs
- Interest on mortgage obligation
- Rent obligation
- Utility payment
- Operations expenditure
- Property damage cost
- Supplier cost
- Worker protection expenditure

What is a Second Draw PPP Loan?

For borrowers that previously received a PPP loan, have 300 employees or less, and suffered a 25% reduction in gross receipts

- For most borrowers, the maximum loan amount of a Second Draw PPP 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 Second Draw PPP loan is 3.5x average monthly 2019 or 2020 payroll costs, up to \$2 million.
- Second Draw PPP loan applicants must submit the information on **SBA Form 2483-SD** (Borrower Application) when applying to their lender.



Second Draw PPP Loan Eligibility

Must have previously received a First Draw PPP loan

Additional Eligibility Criteria

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



PPP Loan Forgiveness

**Borrowers must apply for forgiveness through their lender;
lenders submit borrower forgiveness decisions to the SBA**

Updates per the Economic Aid Act

- EIDL Advances are no longer deducted from forgiveness payment.
- Forgiven PPP loans are not taxable income; expenses paid with PPP loan funds are now tax deductible; **consult the IRS** for details
- Expanded forgivable expenses are permissible for any PPP loan not already forgiven.
- Simplified forgiveness application for PPP loans \$150,000 and under.



What to do Now & Additional Resources

What to do Now

- Contact your lender
- If you do not have a lender, find one on Lender Match: sba.gov/LenderMatch
- Visit www.sba.gov/ppp for the most up-to-date documents

Additional Resources

- Contact your local SBA District Office or Resource Partner: sba.gov/ak
- Subscribe to SBA e-newsletter: www.sba.gov/updates
- Follow SBA on Twitter: @SBAgov

Contact us

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PPP: SBA Website

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

▲ Coronavirus (COVID-19): Relief options and Additional Resources [CLICK HERE](#) ✕

SBA U.S. Small Business Administration

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Paycheck Protection Program

An SBA-backed loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis.

Feedback ▲

The Paycheck Protection Program (PPP) provides loans to help businesses keep their workforce employed during the Coronavirus (COVID-19) crisis. Borrowers may be eligible for [PPP loan forgiveness](#).

1. Find a lender:

- [Get matched with a lender](#)
- [Search for lenders in your area](#)

2. Identify a loan:

- [First Draw PPP Loans](#): If you have not received a PPP loan before, First Draw PPP Loans are available to you.
- [Second Draw PPP Loans](#): If you have previously received a PPP loan, certain businesses are eligible for a Second Draw PPP Loan.

SBA also offers additional [Coronavirus relief](#).

PPP: U.S. Treasury Website

<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

The screenshot shows the U.S. Department of the Treasury website. The header includes the Treasury logo and the text "U.S. DEPARTMENT OF THE TREASURY". A navigation bar contains links for "ABOUT TREASURY", "POLICY ISSUES" (highlighted), "DATA", "SERVICES", and "NEWS", along with a "SEARCH" button. A breadcrumb trail reads "HOME > POLICY ISSUES > CARES ACT > ASSISTANCE FOR SMALL BUSINESSES".

On the left side, there are four vertical menu items:

- Assistance for American Workers & Families
- Assistance for Small Business
- Assistance for State, Local, and Tribal Governments
- Preserving Jobs for American Industry

The main content area features the title "The CARES Act Provides Assistance to Small Businesses" with a decorative underline. Below the title is a paragraph: "The Paycheck Protection Program is providing small businesses with the resources they need to maintain their payroll, hire back employees who may have been laid off, and cover applicable overhead."

Below the paragraph is a section titled "SMALL BUSINESS PAYCHECK PROTECTION PROGRAM". The text under this section states: "The Paycheck Protection Program established by the CARES Act, is implemented by the Small Business Administration with support from the Department of the Treasury. This program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities." A second paragraph follows: "The Paycheck Protection Program prioritizes millions of Americans employed by small businesses by authorizing up to \$659 billion toward job retention and certain other expenses."

On the right side of the page, there are three call-to-action buttons:

- BEWARE COVID-19 SCAMS
- CDC SCREENING REQUIREMENTS
- PERSONAL FINANCE RESOURCES

Questions

