U.S. Small Business Administration

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.

Agenda

1. Rollout
2. First Draw Loans & Forgiveness Updates
3. Second Draw Loans
4. Forms and Guidance
5. Overview of New PPP Platform for Lenders
6. Additional Resources

SBA Paycheck Protection Rollout

Important Dates

- Community Financial Institutions (CFIs) can begin submitting **new First Draw PPP** loan origination requests *(SBA Form 2483 rev. 1/8/21)* through the Platform on **Monday, January 11, 2021.**

- CFIs can begin submitting **Second Draw PPP** loan origination requests *(SBA Form 2483-SD)* through the Platform on **Wednesday, January 13, 2021.**

- Shortly thereafter, all other lending institutions will be notified that they are able to submit loan application information to SBA.

What is a CFI?
Community Financial Institutions include the following organizations:

- Community Development Financial Institutions,
- Minority Depository Institutions,
- Certified Development Companies, and
- Microloan Intermediaries

How do I know if my institution is a CFI?
If "Lender Location Enabled for Origination in Etran" is checked in Institution Settings, your institution is an enabled CFI (see example below).

My institution is not a CFI. What am I enabled to do in the Platform now?
Organization admin users can begin to add users in the Platform and review new and updated materials on the Resource tab in the Platform.

New Feature Alert

There will be a time lapse between when a Lender submits PPP application information to SBA and when SBA provides an SBA loan number back to the Lender due to additional front-end compliance checks.

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 on or 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.

News Alert

All PPP lenders must register with www.sam.gov no later than 30 days after disbursement of their first PPP loan Help Guide for Registering on SAM.gov.

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.

Forms and Guidance

Updated PPP First Draw Borrower and Lender Forms

SBA Form 2483 – First Draw Borrower Application
SBA Form 2484 Lender Guaranty Application

New PPP Second Draw Borrower and Lender Forms

SBA Form 2483-SD Second Draw Borrower Application
SBA Form 2484-SD – Second Draw Lender Guaranty Application

PPP Lender Agreements (*e.g. for lenders who want to become PPP lenders*)

Form 3506 – Updated PPP Lender Agreement (for federally insured depository institutions, federally insured credit unions, and Farm Credit System institutions)
Form 3507 – Updated PPP Lender Agreement (for non-bank and non-insured depository institutions)

New PPP Guidance and Resources

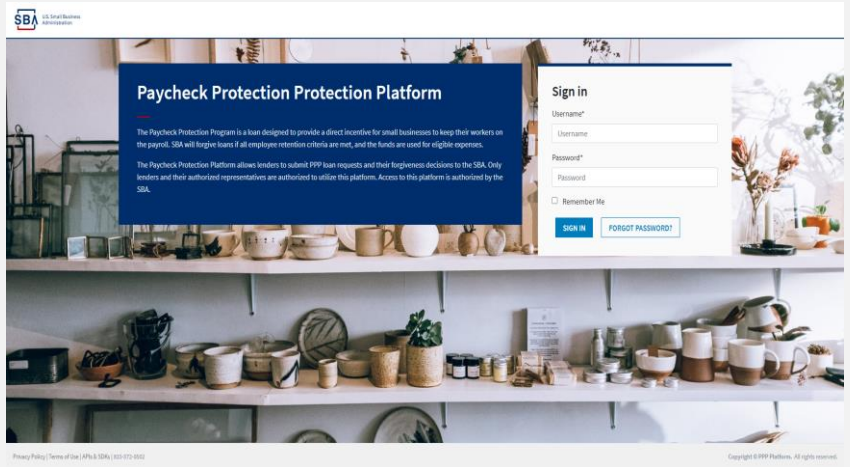
Accessing Capital for Minority Underserved, Veteran and Women-Owned Business Concerns Guidance
Interim Final Rule #1 – PPP as Amended by Economic Aid Act
Interim Final Rule #2 – PPP Second Draw Loans
Top-Line Overview of First Draw PPP Loans
Top-Line Overview of Second Draw PPP Loans
Procedural Notice: 5000-20074 PPP Forms (Modifications to PPP SBA Forms 3506, 3507 and 750 CA)
Procedural Notice - SBA Procedural Notice on Repeal of EIDL Advance Deduction Requirement

SBA Paycheck Protection Platform

The SBA Paycheck Protection Program Platform for originating all PPP loans can be accessed at https://forgiveness.sba.gov

This is the same Platform that supports the Forgiveness decision process.

- The Platform supports **two methods of submission** for all PPP loan requests:
  1. Lenders **manually** (web-screen method) enter and submit loan requests in the Platform.
  2. Lenders or LSPs providers **connect via API** and submit the lenders loan requests.



- Use of **MS Edge** or **Google Chrome** browsers is recommended for an optimal experience.
- **Complete information on APIs** can be found at https://ussbappp.github.io/index.html

PPP Origination – PPP Loan Request Process

Create User Accounts

- Organization Admins select additional members at their institution to sign-up to the Platform and create their accounts.
- Organization Admins enable access to Origination functions in Platform for new users.
- Organization Admins complete Institution Settings.

Submit PPP Loan Origination Requests

- Lenders submit PPP Loan Requests via the Platform.
- CFIs will be enabled to submit First Draw PPP Loan Requests starting January 11, 2021 and
- Second Draw PPP Loan Requests starting January 13, 2021.
- All other lending institutions will be notified shortly thereafter that they are able to submit loan application information to SBA.

Monitor PPP Loan Origination Status

- SBA reviews PPP Loan Requests.
- Lenders monitor PPP Loan Requests and receive SBA Numbers for approved PPP Loans in the Platform.
- Organization Admins view institution's total PPP portfolio for reporting.
- Lenders monitor post-origination and servicing activities in Etran.

Additional Resources

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

PPP Platform Resources:
Platform users may initially create up to 10 active users for each institution. SBA recommends that no more than two users be Authorizing Officials.

PPP Platform Resources: https://forgiveness.sba.gov

Web: 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

Questions