

PPP Updates - Should I Apply/Re-apply?

Please note that this is general information based on our best knowledge as of the date listed above. Details continue to emerge on these programs. We will update this document as we are able. Please refer to federal and state agencies to confirm your eligibility and receive regular updates.

Updates to the PPP

On June 5th, the President signed the Paycheck Protection Program Flexibility Act, a bill containing a series of updates to the PPP loan program. **There is still over \$100 billion left in the program and the last date to apply is August 8, 2020.**

- Under the new rules, PPP borrowers can choose to extend the eight-week period to **24 weeks**, or they can keep the original eight-week period. This flexibility is designed to make it easier for more borrowers to reach full, or almost full, forgiveness. Borrowers can then either keep the **June 30 deadline for rehiring staff or select a Dec 31st deadline.**
- Note that new rules to NOT add any additional funding beyond the 2.5 months payroll allotment. So the expanded weeks are to allow businesses more time to expand payroll to align with business recovery timeline.
- The new rules also relaxed the amount of the loan that must be spent on payroll to be eligible for full forgiveness from **payroll 75% down to 60%.** Forgiveness will be given on a sliding scale, based on the percentage of payroll spend if under 60%.
- The legislation includes **two new exceptions** allowing borrowers to achieve full PPP loan forgiveness even if they don't fully restore their workforce. Previous guidance already allowed borrowers to exclude from those calculations employees who turned down good faith offers to be rehired at the same hours and wages as before the pandemic. The new bill allows borrowers to adjust because they could not find qualified employees or **were unable to restore business operations to Feb. 15, 2020, levels** due to COVID-19 related operating restrictions.
- **New PPP applicants will have five years to repay the loan instead of two.** If small businesses with existing PPP loans and their banks agree, their repayment can also be extended to 5 years. The **interest rate remains at 1%** both existing and new PPP loans.
- The bill allows businesses that took a PPP loan to also **delay payment of their payroll taxes**, which was prohibited under the CARES Act.

Can I still apply?

New Applicants

Your last day to apply is August 8, 2020. **If you have not heard back** from a previous application, it is recommended you follow up or re-apply with a new lender (see below). If you are currently using the ERTC option from the CARES Act you may not use both programs, however there is pending legislation to make these programs work together.

Current PPP Holders

At this time small businesses may only apply for 1 round of PPP funding. Work directly with your lender on expanding the covered period. There may be an expansion of this program soon, but currently, only 1 round is available for small businesses.

Where to Apply

Banks, CDFIs, MDIs and FinTechs

You can apply for PPP loans through [SBA approved PPP lenders](#). Some banks have stopped accepting PPP loans even though there is still money in the program, **please check directly with your lender** for their individual requirements.

Community Development Financial Institutions (CDFIs), which primarily serve minority, women, veteran and disability-owned businesses, have \$10 billion specifically for PPP loans (this in addition to the \$30 billion set aside for community banks). You can [find your local CDFI here](#).

*Not all CDFIs are approved PPP lenders - **please contact your individual institution** to understand eligibility and application requirements.

In addition, FinTech companies such as Square, Paychex, Quickbooks and others are processing PPP applications.

You must apply by August 8, 2020.

More information

- [SBA PPP webpage of resources](#)
- [Frequently Asked Questions for Lenders and Borrowers](#)
- [SBA Guidance and Interim Rules on PPP \(6/1/20\)](#)
- [En Español - SBA: Orientación y recursos de préstamos para las pequeñas empresas](#)

- Small Business Development Centers (SBDC), Women's Business Centers (WBC), & SCORE programs are receiving funding to [support small business owners](#) regarding SBA COVID-19 programs.
- Minority Business Development Agency's Business Centers (MBDCs), also will soon have updated information - you can find one on [this site](#).