

PPP to Re-Open Week of January 11, 2021

The Small Business Administration (SBA) announced that the Paycheck Protection Program (PPP) will re-open the week of January 11th. In order to assist smaller borrowers who may have difficulties accessing the financial system, initially only community development financial institutions, minority depository institutions, certified development corporations and microloan intermediaries will be able to make First Draw PPP Loans on Monday, January 11th, and Second Draw PPP Loans on Wednesday, January 13th. We outlined details of the new PPP [HERE](#) as set forth in the [Consolidated Appropriations Act, 2021](#). In addition, the SBA issued a Notice and two new Interim Final Rules on Wednesday, January 6th.

Key highlights of the re-booted PPP are:

- PPP borrowers can set their PPP loan's covered period to be any length between 8 and 24 weeks to best meet their business needs.
- PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures.
- The Program's eligibility is expanded to include 501(c)(6) organizations, housing cooperatives, direct marketing organizations, among other types of organizations.
- The PPP provides greater flexibility for seasonal employees.
- Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount.
- Certain existing PPP borrowers are now eligible to apply for a Second Draw PPP Loan.
- A borrower is generally eligible for a Second Draw PPP Loan if the borrower:
 - Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses;
 - Has no more than 300 employees; and
 - Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

See First-Draw and Second-Draw Borrower Applications here:

- [Form 2443: First-Draw Loan Application](#)
- [Form 2443-SD: Second-Draw Loan Application](#)

See the SBA Guidance here:

- [Guidance on Accessing Capital for Minority, Underserved, Veteran and Women-Owned Business Concerns](#)
- [Business Loan Program Temporary Changes; Paycheck Protection Program as Amended](#)
- [Business Loan Program Temporary Changes; Paycheck Protection Program Second Draw Loans](#)

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