



**SBA**

U.S. Small Business  
Administration

# Agenda

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# 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.

# First Draw Loans & Forgiveness Updates

Eligible applicants that **did not** receive a PPP loan before August 8, 2020 can apply for a PPP First Draw Loan by March 31, 2021 or until funding is depleted. Entities must have been in operation before 02-15-20.

- Covered eligible expenses have been **expanded** and include:
  - Payroll costs
  - Rent or mortgage interest
  - Utilities
  - **Operations expenditures, certain property damage costs, supplier costs, and worker protection expenditures.**
    - Examples: property damage due to certain civil unrest, worker protection expenses, such as drive-through areas, ventilation equipment, sneeze guards.
- Certain borrowers may request an increase to their original PPP loan amount. Details available at [www.sba.gov/ppp](http://www.sba.gov/ppp) under First Draw PPP Loans.
- Maximum amount up to \$10 million.

Information current as of 1/18/21 – Visit [www.sba.gov/ppp](http://www.sba.gov/ppp) for the most up-to-date information.

# Eligibility

- Business entities (e.g., partnerships, corporations, LLCs)
- Sole proprietors, independent contractors, self-employed
- 501(c)(3) non-profits
- **Certain 501(c)(6) organizations** (Example: chambers of commerce)
- 501(c)(19) Veterans organizations
- Tribal business
- **Destination marketing organizations, housing cooperatives, and eligible news organizations.**

**NOTE:** Must comply with SBA size standards, eligibility criteria, and certain limitations.

Information current as of 1/18/21 – Visit [www.sba.gov/ppp](http://www.sba.gov/ppp) for the most up-to-date information.

# PPP Loan Program Changes

- Borrower can now **select** any covered period between 8 - 24 weeks to use PPP loan proceeds and receive forgiveness.
- Operational expenses paid with a forgivable loan are now tax deductible. You are advised to consult with the IRS for details. [www.irs.gov](http://www.irs.gov)
- The EIDL Advance (grant) is **not** deducted from the forgiveness payment.
- **Coming soon:** A simplified forgiveness application for PPP loans \$150,000 and under is currently being developed by SBA.

**NOTE:** For PPP First Draw loans, the basis for the loan amount is 2.5X the average monthly payroll cost. Calculation: Annual payroll/12 x 2.5.

# PPP Loan Forgiveness

Loan forgiveness is determined by adherence to the payroll costs incurred during the 8-week to 24-week period selected. At least 60% of loan proceeds must be used for payroll. If the headcount declines, a borrower must provide documentation showing evidence of a “good faith effort” to rehire employees.

- Payroll is determined by the average monthly payroll for either 2019 or 2020, or average monthly payroll for the 12-month period prior to the loan being made.
- Expanded forgivable expenses are permissible for any PPP loan not already forgiven by December 27, 2020.
- Borrowers must apply for forgiveness through their PPP lender. Lenders then submit borrower forgiveness decisions to the SBA.



# PPP Loan Application

[Paycheck Protection Program: Borrower Application Form Revised January 8, 2021 \(sba.gov\)](https://www.sba.gov) SBA Form 2483-page 1



## Paycheck Protection Program Borrower Application Form Revised January 8, 2021

OMB Control No.: 3245-0407  
Expiration Date: 7/31/2021

<b>Check One:</b> <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		<b>DBA or Tradename (if applicable)</b>	<b>Year of Establishment (if applicable)</b>
<b>Business Legal Name</b>		<b>NAICS Code</b>	<b>Applicant (including affiliates, if applicable) Meets Size Standard (check one):</b> <input type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
<b>Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)</b>		<b>Business TIN (EIN, SSN)</b>	<b>Business Phone</b>
		<b>Primary Contact</b>	<b>Email Address</b>
<b>Average Monthly Payroll:</b>	\$	<b>x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:</b>	\$
		<b>Number of Employees:</b>	
<b>Purpose of the loan (select all that apply):</b>	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures
			<input type="checkbox"/> Covered Operations Expenditures
			<input type="checkbox"/> Other (explain): _____

### Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

*If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.*

# PPP Loan Application (continued)

[Paycheck Protection Program: Borrower Application Form Revised January 8, 2021 \(sba.gov\)](https://www.sba.gov) SBA Form 2483-page 1

*If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.*

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input type="checkbox"/>
9. Is the franchise listed in the SBA's Franchise Directory? If yes, enter the SBA Franchise Identifier Code here: <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

Clear Form

Save Form

**Note:** Current SBA PPP Loan Forgiveness Application Forms - 3508, 3508EZ and 3508S.



# If Your PPP is Not Fully Forgiven

- 1.00% Fixed Rate Interest on the loan amount.
- Term: if originated by June 5, 2020, the term is two (2) years.
- Term: if originated after June 5, 2020, the term is five (5) years.
- Loan payments are deferred until SBA submits the borrower's forgiveness amount to the lender.
- If a borrower does not apply for forgiveness, payments are deferred for 10 months after the covered period of the loan (8 - 24 weeks).
- There are no loan fees charged by SBA or the lender.

# PPP Second Draw Loan

Eligible borrowers who had 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 the average monthly payroll costs for 2019 or 2020 – 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** when applying to their lender.

# PPP Second Draw Eligibility

A borrower may be eligible for a Second Draw PPP if the Second Draw applicant meets all of the following criteria:

- The borrower previously received a First Draw PPP.
- The entity has used or will use the full First Draw PPP loan amount only for eligible expenses before the Second Draw PPP loan is disbursed.
- The organization has no more than 300 employees.
- The borrower can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

# Actions to Take Now Regarding PPP

- If you have not done so already, contact your lender about a PPP application.
- If your lender is not participating or you do not have a lender, contact the SBA District Office or search SBA Lender Match. [www.sba.gov/LenderMatch](http://www.sba.gov/LenderMatch)
- Visit [www.sba.gov/ppp](http://www.sba.gov/ppp) for the most up-to-date information and documents.
- Subscribe to the SBA e-newsletter: [www.sba.gov/updates](http://www.sba.gov/updates)
- Follow SBA on Twitter: @SBAgov
- Contact SBA and/or Resource Partners. [www.sba.gov/local-assistance](http://www.sba.gov/local-assistance)
- Follow updates at the U.S. Department of the Treasury. [www.treasury.gov/cares](http://www.treasury.gov/cares)

# Questions





EIDL



# Economic Injury Disaster Loan (EIDL) Program

- Available for all eligible small businesses and many non-profits.
- COVID-19 EIDL (loan) applications extended to December 31, 2021.
- In July 2020, SBA stopped processing EIDL Advance (grant) requests - all funds were fully allocated. Congress recently added funding. Link will be re-activated soon.
- Submitted EIDL applications will continue to be processed on a first-come, first-served basis.
- The EIDL website is being updated with the new information:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loans>

# EIDL Eligibility

- Small businesses, some non-profits and qualified agricultural businesses in all 50 states and U.S. territories are currently eligible to apply for a low-interest loan due to the COVID-19 pandemic.
- Agricultural businesses includes those businesses engaged in the production of:
  - Food and fiber.
  - Ranching.
  - Raising of livestock.
  - Aquaculture.
  - Other farming and agricultural-related industries.

<https://covid19relief.sba.gov/#/>

# EIDL Details



**3.75% interest rate for small businesses – fixed rate**  
**2.75% for eligible non-profits – fixed rate**



**Term: 30-year maturity on the loan.**



**May be used for fixed debts, payroll, accounts payable (rent, utilities, insurance, etc.) and other bills affected by the disaster.**

# EIDL Funding and Payment

- Payments deferred for one (1) year from date of note. Interest accrues.
- Borrowers can begin making payments on the deferral if they choose to do so.
- Applicant will receive loan payment schedule after loan is funded from the SBA Disaster Servicing Department.
- There is no prepayment penalty on the loan.
- Collateral is required for loans over \$25,000.
- Usually, applicant will be notified before the bank account on file is debited for payment.
  - Applicant can request to pay by mail, phone or online.

<https://covid19relief.sba.gov/#/>

# Questions About Application and Reconsideration

- The website for information or to apply is [www.sba.gov/disaster](http://www.sba.gov/disaster)
- Contact the SBA Disaster Customer Service Center.  
Mon-Fri: 8:00 am to 8:00 pm; Sat-Sun 8:00 am to 5:00 pm ET  
1-800-659-2955      TTY: 1-800-877-8339.  
E-mail: [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov)
- If denied:
  - You have six months to provide a **written** reconsideration request with newly submitted information. Email is best. Fax is good. Mail is **not** recommended.
  - If denied a second time, you get an additional 30 days to appeal.

<https://covid19relief.sba.gov/#/>

# EIDL Application



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

## STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

The website to apply for EIDL is <https://covid19relief.sba.gov/#/>

or go to [www.sba.gov/disaster](http://www.sba.gov/disaster) and follow prompts.

# Application (continued)



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

Step 1 of 3

## Business Information

Business Legal Name \*

Trade Name \*

EIN/SSN for Sole Proprietorship \*

Organization Type\*

The website to apply for EIDL is <https://covid19relief.sba.gov/#/>

or go to [www.sba.gov/disaster](http://www.sba.gov/disaster) and follow prompts.

# Application (continued)

Is the Applicant a Non-Profit Organization? \*

Yes  No

Is the Applicant a Franchise? \*

Yes  No

Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \*

Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) \*

Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster

Non-Profit or Agricultural Enterprise Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Compensation From Other Sources Received as a Result of the Disaster

The website to apply for EIDL is <https://covid19relief.sba.gov/#/>

or go to [www.sba.gov/disaster](http://www.sba.gov/disaster) and follow prompts.



# Other COVID-19 Loan and Grant Programs

- SBA EIDL Advance grant (once it is reactivated)
  - [COVID-19 Economic Injury Disaster Loans \(sba.gov\)](https://www.sba.gov/eidl)
- Shuttered Venue Operators Grant (to be activated soon)
  - [Shuttered Venue Operators Grant \(sba.gov\)](https://www.sba.gov/venue)
- SBA Express Bridge Loans
  - [SBA Express Bridge Loans](https://www.sba.gov/express)
- SBA Debt Relief
  - [SBA Debt Relief](https://www.sba.gov/debt)
- COVID-19 Funding Options (**new site**-fed, state, local)
  - [COVID-19 Funding Sources \(sba.gov\)](https://www.sba.gov/funding)

Information current as of 1/18/21 – Visit [www.sba.gov](https://www.sba.gov) for the most up-to-date information.

# Questions



# How Can SBA Help You?

SBA Kentucky District Office

[ky@sba.gov](mailto:ky@sba.gov)

502-582-5971

Thank You!



**SBA**

U.S. Small Business  
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