

The U.S. Small Business Administration (SBA) in consultation with the Treasury Department announced that the Paycheck Protection Program (PPP) will re-open this week for new borrowers and certain existing PPP borrowers **To promote access to capital, initially only community financial institutions will be able to make first draw PPP loans as of Monday, January 11, and the second draw PPP Loans on Wednesday, January 13. The PPP portal will open to all participating lenders shortly thereafter.**

This round of the PPP continues to focus on millions of Americans employed by small businesses by authorizing up to \$284 billion toward job retention and certain other expenses through March 31, 2021, and by allowing certain existing borrowers to apply for a second draw PPP Loan. The new guidance builds on the success of the PPP loan program and adapts to the changing needs of small business owners most impacted by COVID-19 by providing targeted relief and a simpler forgiveness process to ensure a path to recovery **The SBA is committed to implementing this round of PPP quickly to continue supporting American small businesses and their workers.**

Key PPP updates include:

- ▲ **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 loan 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**
- ▲ **Can demonstrate at least 25% reduction in gross receipts between comparable quarters in 2019 and 2020**

For more information on SBA's assistance to small businesses, please visit www.sba.gov/ppp or www.treasury.gov/cares