

## USET SPF Alert: PPP Loan Portal Open, Second Round of PPP Loans Available, and Interim Final Rules and Guidance Issued – January 11

Dear USET SPF Membership,

Today, January 11, 2021, SBA reopened the Paycheck Protection Program (PPP) loan portal and will initially accept [First Draw PPP](#) [link] loan applications from participating Community Financial Institutions, which include Community Development Financial Institutions, Minority Depository Institutions, Certified Development Companies, and Microloan Intermediaries. SBA will only accept First Draw PPP Applications on January 11, and January 12, 2021. Second Draw PPP applications will be accepted beginning January 13, 2021 until the application deadline closes on March 31, 2021. For information on loan details please visit SBA's website by [clicking here](#) [link].

Additionally, on January 6, 2021 the Small Business Administration (SBA) issued updated documents regarding the PPP in response to the recent Coronavirus Relief Package ([H.R. 133](#) [link]) signed into law on December 27, 2020.

The PPP Interim Final Rules (IFR) and Guidance documents, as well as key information included in these documents, is detailed below—

### [Interim Final Rule on the Paycheck Protection Program as amended by the Economic Aid Act](#) [link]

- PPP loans are extended through March 31, 2021;
- Consolidates interim rules and guidance issued to date governing borrower eligibility, lender eligibility, and PPP application and origination requirements for new PPP loans;
- Intended to govern new PPP loans as well as applications for loan forgiveness on existing PPP loans;
- SBA also intends to issue a consolidated rule governing all aspects of loan forgiveness and the loan review process;
- First time PPP applications are still eligible to apply and Treasury will allow borrowers of first draw PPP loans to use 2019 or 2020 to calculate their maximum loan amount;
- A business that is otherwise eligible for a PPP Loan is not rendered ineligible due to its receipt of legal gaming revenues, and 13 CFR 120.110(g) is inapplicable to PPP loans; and
- The provisions of this interim final rule will become effective once published in the Federal Register.

### [Interim Final Rule on Second Draw Loans](#) [link].

- SBA guarantees 100 percent of Second Draw PPP Loans and SBA may forgive up to the full principal loan amount;
- The key differences between First Draw PPP Loans and Second Draw PPP Loans are described in this IFR, which explains the loan terms, eligibility requirements, and application process for Second Draw PPP Loans;
- The maximum amount a business may borrow for a second PPP loan is the lesser of two and a half months of the borrowers average monthly payroll costs or \$2 million;
- A borrower that has temporarily closed or temporarily suspended its business remains eligible for a Second Draw PPP Loan;

- The provisions of this interim final rule will become effective once published in the Federal Register; and
- While this IFR is effective immediately, comments are solicited from interested members of the public on all aspects of the IFR.
  - These comments must be submitted 30 days following publication of this IFR in the Federal Register. SBA will consider these comments and the need for making any revisions as a result of such comments; and
  - Comments can be submitted through the Federal eRulemaking Portal [regulations.gov](https://www.regulations.gov) [link] identified by number SBA-2021-0001.

[Guidance on Accessing Capital for Minority, Underserved, Veteran, and Women-Owned Business Concerns](#) [link]

- Continue to strongly encourage CDFIs and minority-, women-, veteran-, and military-owned lenders to apply to become PPP lenders. SBA will give full and prompt consideration to these applications to become PPP lenders consistent with program guidelines, including in cases where the lender does not meet all of the requirements listed on the updated SBA Form 3507;
- Direct Lender Match borrower inquiries to small lenders who can aid traditionally underserved communities;
- Match small businesses through Lender Match with Certified Development Companies (CDCs), Farm Credit System lenders, microloan intermediaries, and traditional smaller asset size lenders; and
- The SBA will only accept PPP loan applications from community financial institutions for at least the first two days once the PPP loan portal re-opens (January 11, 2021).

For more information please contact your local SBA Field Office, which can be found on their website by [clicking here](#) [link].