



## Paycheck Protection Program FAQ's

On December 20, 2020, the Consolidated Appropriations Act, a \$900 billion legislative package, was signed into law and renews the Paycheck Protection Program (PPP) that was established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This new Act reopens the PPP program for first time borrowers seeking a first draw PPP loan and creates a second draw PPP loan option for existing PPP borrowers, along with changes that will impact current and future forgiveness for certain borrowers, and amends provisions for some PPP loans that borrowers already have received.

### When Does It Open?

The new round of PPP will open on Tuesday, January 19th, 2021.

#### Paycheck Protection Program First Draw

**Available to first-time borrowers who are:**

- Businesses with 500 or less employees that are eligible for other SBA 7(a) loans
- Sole proprietors, eligible self-employed individuals and independent contractors
- Not-for-profit organizations and entities
- Accommodation and food services operations (those with North American Industry Classification System (NAICS) codes starting with 72) with fewer than 300 employees per physical location

#### Paycheck Protection Program Second Draw

**Available to borrowers who previously received a PPP loan who:**

- Have 300 or fewer employees
- Have used or will use the full amount of their first PPP loan
- Can demonstrate a 25% gross revenue decline in any 2020 quarter compared with the same quarter in 2019

**Loan Terms:**

Borrowers may receive a loan amount of up to 2.5X the average monthly payroll costs in the one year prior to the loan or the calendar year 2019 or 2020, with a maximum loan amount of \$2 million. Seasonal employers may calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020. New entities may receive loans of up to 2.5X the sum of average monthly payroll costs. Entities in industries assigned to (External) NAICS code 72 (Accommodation and Food Services) may receive loans of up to 3.5X average monthly payroll costs. Loans are 100% guaranteed by the SBA and forgivable if the proceeds are used for forgivable expenses. Loan amounts will accrue interest at a fixed rate of 1.00% and have a 5-year maturity.

For more information, please visit the SBA website ([sba.gov](https://www.sba.gov)).