



U.S. Small Business
Administration



U.S. Small Business
Administration

POWERING THE AMERICAN DREAM



START • GROW • EXPAND • RECOVER

SBA's Economic Aid Act Options



Paycheck Protection Program

- First Draw PPP Loan Details
- Second Draw PPP Loan Requirements



EIDL Program

- Advances
- Extended Loan Application Deadlines



SBA's Lending Programs

- 7a & 504 Program Enhancements
- New 504 Express



SBA Debt Relief

- Extended Payments for new and existing SBA Loans

SBA Paycheck Protection Platform Announcement

Important Dates

- Community Financial Institutions (CFIs) can begin submitting new First Draw PPP loan origination requests (*SBA Form 2483 rev. 1/8/21*) through the Platform on **Monday, January 11, 2021**
- CFIs can begin submitting Second Draw PPP loan applications (*SBA Form 2483-SD*) through the Platform on **Wednesday, January 13, 2021.**
- Shortly thereafter, all other lending institutions will be notified when they are able to submit loan origination requests

What is a CFI?

Community Financial Institutions include the following organizations:

- *Community Development Financial Institutions,*
- *Minority Depository Institutions,*
- *Certified Development Companies, and*
- *Microloan Intermediaries*

How do I know if my institution is a CFI?

If "Lender Location Enabled for Origination in Etran" is checked in Institution Settings, your institution is an enabled CFI (see example below).

My institution is not a CFI. What am I enabled to do in the Platform now?

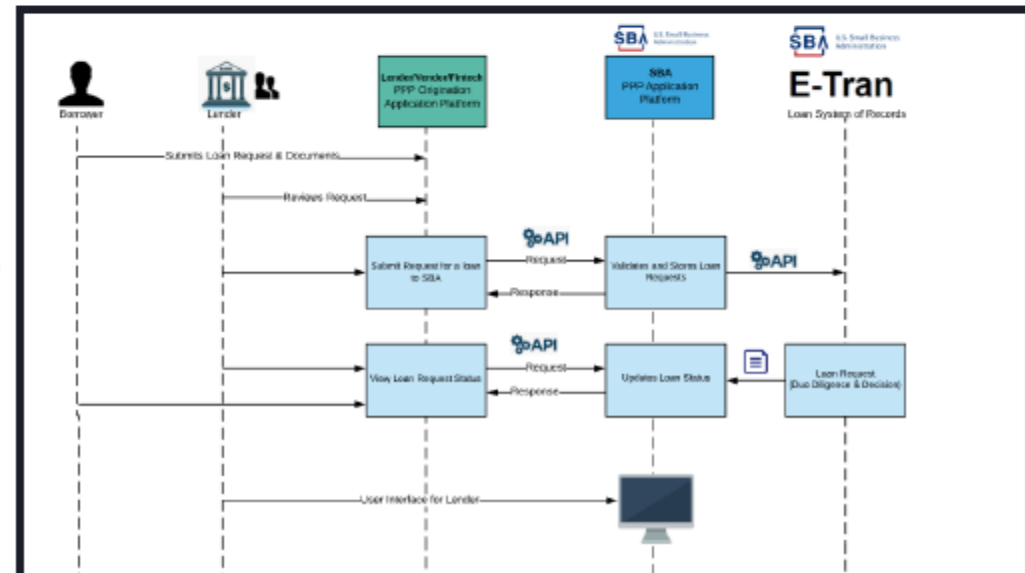
Organization admin users can begin to add users in the Platform and review new and updated materials on the resource tab in the Platform.

Origination Overview

- To support the expanded Economic Aid Act, the SBA is leveraging the Forgiveness platform chassis to provide a streamlined interface for originating PPP loans into ETRAN.
- This has allowed the SBA to purpose build a PPP (First Draw) and PPS (Second Draw) application process. Direct ETRAN PPP origination will not be available.
- The updated platform also makes available additional utilities to help the Lending community better validate application data before submission.

- **Platform Supports:**

- High Volume - PPP Loan Origination - API
- Checking Status - API
- Understanding Data Validation & Identity Management Results (Public Record Search, Do Not Pay)
- Address Validation Utilities
- Previous PPP Lookup Tools
- Franchise API
- NAICS Code Validation APIs



Paycheck Protection Platform - Originations

- The Paycheck Protection Platform can be accessed at forgiveness.sba.gov. This is the same Platform that supports the Forgiveness decisioning process.
- The Platform supports three methods of submission for PPP loan requests:
 1. Lenders manually enter loan requests.
 2. Large Lenders connect via API and submit loan requests in bulk.
 3. Software Providers connect via API and submit loan requests on behalf of Lenders.
- Using **MS Edge** or **Google Chrome** browsers is recommended for an optimal experience.
- Complete information on APIs can be found at <https://ussbappp.github.io/index.html>



PPP Loan Request

- Lenders may utilize the Platform to submit PPP loan requests in two ways:
 - Lenders manually enter and submit individual applications in the Platform.
 - Lender Service Providers submit their Lenders' applications using API connections. Information on APIs can be found at <https://ussbappp.github.io/index.html>.
- Lenders must utilize [SBA Form 2483](#) for First Draw PPP Loans and must utilize [Form 2483-SD](#) for Second Draw PPP Loans to calculate the loan amount.

**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No. 3281-0017
Expiration Date: 5/31/2021

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corp. <input type="checkbox"/> LLC <input type="checkbox"/> S-Corp <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) voluntary organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Trade Name (if applicable)		Year of Establishment (if applicable)	
Business Legal Name				NAICS Code	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)				Business TEN (EIN, SSN)	
Primary Contact				Email Address	
Average Monthly Payroll: \$		s. 2.7 (or s. 2.7 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000)		Number of Employees (including affiliates, if applicable) may not exceed 200.	
Purpose of the loan (select all that apply):		<input type="checkbox"/> Payroll Costs <input type="checkbox"/> Rent / Mortgage Interest <input type="checkbox"/> Utilities <input type="checkbox"/> Covered Operations Expenditures		<input type="checkbox"/> Covered Property Damage <input type="checkbox"/> Covered Supplier Costs <input type="checkbox"/> Covered Worker Protection Expenditures <input type="checkbox"/> Other (explain):	
PPP First Draw SBA Loan Number:					
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):		2020 Quarter (e.g., 2Q 2020): Gross Receipts: \$		Reference Quarter (e.g., 2Q 2019): Gross Receipts: \$	
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 %	
EIN (EIN, SSN)		Address			
Questions (Do, No, or all are answered "Yes," the loan will not be approved)					
Question: 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?					
					Yes
					No

**Paycheck Protection Program
Second Draw Borrower Application Form**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees, (2) employs no more than 300 employees, or (3) if NAICS 72, employs no more than 300 employees per physical location, (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the discretion of the business concern that produce or distribute locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as required on Form(s) 990-S/1120.

Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

The Applicant has reduced a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.

The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any interest) of the First Draw Paycheck Protection Program Loan only for eligible expenses.

What businesses, organizations, and individuals are eligible?

Economic Aid Act Eligibility Enhancements

- A housing cooperative, an eligible section 501(c)(6) organization, or an eligible destination marketing organization⁶, that employs no more than 300 employees.
- A news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS 511110 or 5151, that employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for your industry) per location

How Can PPP Loans Be Used

Eligible Payroll Expenses

- Payroll costs (as defined in the CARES Act, Economic Aid Act and this interim final rule)
- Costs related to the continuation of group health care, life, disability, vision, or dental benefits during periods of paid sick, medical, or family leave, and group health care, life, disability, vision, or dental insurance premiums

How Can PPP Loans Be Used

Eligible Non Payroll Expenses

- Mortgage interest payments (but not mortgage prepayments or principal payments)
- Rent payments
- Utility payments
- Interest payments on any other debt obligations that were incurred before February 15, 2020
- Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020

How Can PPP Loans Be Used

Enhancements to Eligible Non Payroll Expenses

- Covered operations expenditures (payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses)
- Covered property damage costs (costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation)
- Covered worker protection expenditures

First Draw PPP Loan Eligibility

Who Can Apply

- Eligible small entities, that together with their affiliates (if applicable), have 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—can apply.
- Entities with more than 500 employees in certain industries that meet SBA’s alternative size standard or SBA’s size standards for the following industries can also apply.
 - Businesses with a NAICS Code that begins with 72 (Accommodation and Food Services sector)
 - Eligible news organizations with no more than 500 employees per physical location, as well as housing cooperatives,
 - 501(c)(6) organizations, or destination marketing organizations with no more than 300 employees.

Forgiveness PPP Loan Details

Forgiveness & Loan Terms

- First Draw and Second Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:
 - Employee and compensation levels are maintained;
 - The loan proceeds are spent on payroll costs and other eligible expenses; and
 - At least 60 percent of the proceeds are spent on payroll costs.
- SBA 100% guarantee
- No Collateral Requirements
- No personal guarantee
- Interest rate – 1% (non compounding and non adjustable)
- 5 year maturity
- Processed by PPP lenders
- Lender reliance on borrower certifications
- Loan amount is 2.5 x's average monthly payroll (3.5x's for NAICS code 72)

First Draw PPP Loan Details

Application and Eligibility

- Borrowers can apply for a First Draw PPP Loan until March 31, 2021, through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, eligible non-bank lender, or Farm Credit System institution that is participating in PPP.
- Existing PPP borrowers that did not receive loan forgiveness by December 27, 2020 may:
 - 1) reapply for a First Draw PPP Loan if they previously returned some or all of their First Draw PPP Loan funds, or
 - 2) under certain circumstances, request to modify their First Draw PPP Loan amount if they previously did not accept the full amount for which they are eligible.
- All new First Draw PPP Loans will have the same terms regardless of lender or borrower.

Second Draw PPP Loan Details

Streamlined Forgiveness for loans under \$150,000

- 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.
- Economic Aid Act simplified forgiveness process for loans under \$150,000
- No upfront documentation for revenue reduction on loans under \$150,000
 - Borrowers have until loan forgiveness time to submit such documentation

Second Draw PPP Loan Details

Application and Eligibility

- Borrowers can apply for a Second Draw PPP Loan until March 31, 2021, through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, eligible non-bank lender, or Farm Credit System institution that is participating in PPP.
- For most borrowers, the maximum loan amount of a Second Draw PPP Loan is 2.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- Borrowers in the Accommodation and Food Services sector the maximum loan amount for a Second Draw PPP Loan is 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million.
- If Borrower is using 2019 as basis for calculating PPP second draw loan and going to same lender, no need to provide documentation to support requested loan amount since lender already has received such documentation

Lender Responsibilities with First and Second Draw PPP Loans

- When evaluating an applicant's eligibility lenders will not be required to apply the "credit elsewhere test"
- There will be no up-front guarantee fee payable to SBA by the borrower;
- There will be no lender's annual service fee or on-going guaranty fee payable to SBA;
- Agent fees may not be paid out of the proceeds of a PPP loan.
- A lender is only responsible for paying fees to an agent for services for which the lender directly contracts with the agent.
- The total amount that an agent may collect from the lender for assistance in preparing an application for a PPP loan (including referral to the lender) may not exceed:
 - One (1) percent for loans of not more than \$350,000;
 - 0.50 percent for loans of more than \$350,000 and less than \$2 million; and
 - 0.25 percent for loans of at least \$2 million.

PPP Loan Underwriting

- Confirm receipt of borrower certifications contained in Paycheck Protection Program Borrower Application Form (SBA Form 2483) issued by the Administration or lender's equivalent form;
- Confirm receipt of information demonstrating that a borrower was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom the borrower paid salaries and payroll taxes on or around February 15, 2020;
- Confirm the dollar amount of average monthly payroll costs for 2019 or 2020 by reviewing the payroll documentation submitted with the borrower's application; 97 and
- Follow applicable BSA requirements
- The lender does not need to independently verify the borrower's reported information if the borrower submits documentation supporting its request for loan forgiveness and attests that it accurately verified the payments for eligible costs.

Lender Processing Fee

- For PPP loans made on or after December 27, 2020, SBA will pay lenders fees, based on the balance of the financing outstanding at the time of disbursement of the loan, for processing PPP loans in the following amounts:
 - i. For loans of not more than \$50,000, an amount equal to the lesser of fifty (50) percent or \$2,500;
 - ii. Five (5) percent for loans of more than \$50,000 and not more than \$350,000;
 - iii. Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
 - iv. One (1) percent for loans of at least \$2,000,000.
- SBA will pay the fee not later than 5 days after the reported disbursement of the PPP loan and, as required by the Economic Aid Act, may not require the fee to be repaid by the lender unless the lender is found guilty of an act of fraud in connection with the PPP loan.

Summary of Lender Responsibilities

- PPP lenders will have thirty (30) days from the date of the first PPP loan disbursement made by them after December 27, 2020 to complete SAM registration and provide SBA with the lender's unique entity identifier
- Lenders must comply with the applicable lender obligations set forth in SBA's interim final rule(s), but will be held harmless for borrowers' failure to comply with program criteria and will not be subject to any enforcement action or penalty relating to loan origination or forgiveness of the PPP loan if the lender acts in good faith relating to the origination or forgiveness of the PPP loan and satisfies all other applicable Federal, State, local, and other statutory or regulatory requirements

Questions?





U.S. Small Business
Administration

Follow us on Twitter [@SBA_MA](https://twitter.com/SBA_MA) for
real-time updates.

Visit the SBA Massachusetts District
Office webpage at
www.sba.gov/MA

Subscribe to our newsletter:
www.sba.gov/updates