NEWS BRIEF

Provided by: Hodge, Hart & Schleifer

SBA's PPP Fully Opens for Second Round of Loans

The U.S. Department of Treasury and the U.S. Small Business Administration (SBA) recently announced updates to eligibility for Payment Protection Program (PPP) loan applications, allowing borrowers to apply through larger lenders.

Beginning Tuesday, Jan. 19, the portal will open for borrowers to apply for both first (known as First Draw PPP Loans) and second (known as Second Draw PPP Loans) PPP loans through all participating lenders.

Previously, on Jan. 11, borrowers became eligible to apply for PPP loans through "community financial institutions." These "community financial institutions" are lenders that serve minority, underserved, veteran and women-owned businesses.

This second round includes $284 billion in funding allocated for the PPP in the stimulus bill passed on Dec. 27, 2020. This round of funding will run through March 31, 2021.

For more specifics about the second round of PPP funding, the SBA has provided additional details.

Employer Takeaway

Borrowers should review the criteria for this second round of PPP loans. Borrowers considering applying should prepare and have on hand all relevant documentation. Lastly, borrowers should direct any questions regarding PPP loans to their lender.

We will continue to monitor any additional developments regarding the PPP and deliver updates as necessary. For more information about the PPP, contact Hodge, Hart & Schleifer.

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