

# Fast Facts About the Reopening of the PAYCHECK PROTECTION PROGRAM

Apply by  
March 31, 2021

The PPP is intended to primarily cover payroll costs for employees. These are forgivable loans to small businesses to retain workers, maintain payroll, and cover other obligations. For more information, visit [www.FloridaSBDC.org/PPP](http://www.FloridaSBDC.org/PPP).

## Key Updates

- Borrowers can set their loan covered period to any length between 8-24 weeks.
- Loans will cover additional expenses: operations expenditures, property damage costs, supplier costs, and worker protection expenditures.
- The program's eligibility has expanded to include 501(c)(6)s, housing cooperatives, direct marketing organizations, and others.
- The PPP loan provides greater flexibility for seasonal employees.
- Certain existing PPP borrowers can request to modify their First Draw PPP loan amount, and are now eligible to apply for a Second Draw PPP loan.
- The deadline to apply is **March 31, 2021**.

Source: [SBA.gov/PPP](http://SBA.gov/PPP)

## Eligibility

### First Draw Borrowers

Borrowers in operation on February 15, 2020 and meet one of the following requirements may be eligible:

- Businesses with 500 or fewer employees that are eligible for other SBA 7(a) loans
- Sole proprietors, independent contractors, and eligible self-employed individuals
- Nonprofits
- Accommodation and food service operations with NAICS codes starting with 72 with fewer than 500 employees per physical location
- Sec. 501 (c)(6) entities such as chambers, visitors bureaus and destination marketing organizations
- News organizations

### Second Draw Borrowers

Borrowers are eligible for a second-draw loan of up to \$2 million if they have:

- 300 or fewer employees
- Used or will use the full amount of their first PPP loan on or before the expected date for the second PPP loan to be disbursed to the borrower. The IFR also clarifies that the borrower must have spent the full amount of the first PPP loan on eligible expenses.
- Experienced a revenue reduction of 25% or more in all or part of 2020 compared with all or part of 2019
- See page 13 of the [SBA's Interim Final Rule](#) for more information on eligibility.

## Forgiveness

### First Draw Borrowers

Limited to the amount spent on payroll costs and allowable operating expenses during the 24-week period beginning on the date of the origination of the loan. At a minimum, 60% must be expended on payroll costs to be forgiven.

### Second Draw Borrowers

Same terms and conditions as first draw borrowers, except that: borrowers with a principal amount of \$150,000 or less are required to provide documentation of revenue reduction if such documentation was not provided at the time of the loan application as specified in subsection (g)(2)(iv) and (v) of the [SBA's IFR](#).

#### State Designated as Florida's Principal Provider of Business Assistance [§ 288.001, Fla. Stat.]

A statewide partnership program nationally accredited by the Association of America's SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network's headquarters. Florida SBDC services are extended to the public on a nondiscriminatory basis. Language assistance services are available for individuals with limited English proficiency.

