

Paycheck Protection Program (PPP) Update

1/11/2021

Important Note:

The system will “accept PPP loan applications only from **community financial institutions for at least the first two days** when the PPP loan portal re-opens.” This step is being taken to ensure that businesses which may have been overlooked/trampled/pushed aside in the mad rush of 2020 will get a bit of head start in this 2021 line. In this context, the SBA defines *community financial institutions* as “community banks, Farm Credit System lenders, credit unions, fintechs, community development financial institutions (CDFIs), and minority depository institutions (MDIs).

Key PPP updates include:

- PPP borrowers can set their PPP loan’s covered period to be any length between 8 and 24 weeks to best meet their business needs;
- PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures;
- The Program’s eligibility is expanded to include 501(c)(6)s, housing cooperatives, destination marketing organizations, among other types of organizations;
- The PPP provides greater flexibility for seasonal employees;
- Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount; and
- Certain existing PPP borrowers are now eligible to apply for a Second Draw PPP Loan.

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.

Additional Resources:

[SBA Press Release](#)

[SBA Paycheck Protection Program page](#)

WCEC COVID Funding Updates: www.wcecnj.org/wbc/ClassSchedule