

First Draw PPP Loan Guidelines

First Draw PPP loans are available for eligible business applicants who did not receive a PPP loan in 2020. The last day to apply for a First Draw PPP loan is March 31, 2021. Please note that the loan application must also be approved by the U.S. SBA on or before March 31, 2021 for the applicant to receive the loan proceeds.

Maximum Loan Amount: 2.5 times the average monthly payroll costs (from 2019 or 2020) or \$10 million, whichever is less.

Loan Term: 5 Years

Eligible Costs for Loan Forgiveness: The loan proceeds must be spent on payroll costs and other eligible expenses such as rent, mortgage interest, utilities, operations expenditures, property damage costs, supplier costs, and worker protection expenditures. At least 60% of the proceeds must be spent on payroll costs to receive full forgiveness.

Covered Period: PPP borrowers can choose between 8 to 24 weeks after the date of disbursement (e.g. A PPP borrower may elect 10 weeks or 20 weeks as the covered period).

Loan Deferral Period: PPP borrowers have 10 months after the end of the covered period to submit a loan forgiveness application without making principal or interest payments

The following groups are eligible for a First Draw PPP Loan:

1. Businesses with 500 or less employees that are eligible for regular SBA 7(a) loans
2. Businesses that have been in operation before February 15, 2020 (must not have permanently closed)
3. Business concerns, Sole proprietors, independent contractors, eligible self-employed individuals and non-profit organizations such as churches
4. Eligible section 501(c) organizations including tax exempt veterans organizations, tribal business concerns, housing cooperatives, small agricultural cooperatives and eligible destination marketing cooperatives that employ no more than 300 employees
5. News organizations that are majority owned and 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, that employs no more than 500 employees per location

Document List: PPP borrowers must provide payroll records, payroll tax filings, Form 1099-MISC, Schedule C or F, income and expenses from a sole proprietorship, or bank records. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided.