

Issue	First Draw PPP Loan (Did Not Receive PPP Loan in 2020 or Qualifies for an Adjustment)	PPP2 (Received a PPP Loan in 2020 or First Draw PPP Loan in 2021)
<b>Last Day to Apply</b>	<ul style="list-style-type: none"> <li>• Earlier of March 31, 2021 or exhaustion of funds</li> </ul>	<ul style="list-style-type: none"> <li>• Earlier of March 31, 2021 or exhaustion of funds</li> </ul>
<b>Eligibility Requirements for 2021 PPP Loan</b>	<ul style="list-style-type: none"> <li>• In operation on February 15, 2020</li> <li>• Did not receive a 2020 PPP loan <b>or</b></li> <li>• Received a 2020 loan that was not forgiven by December 27, 2020 and qualifies for a larger draw on account of: <ul style="list-style-type: none"> <li>○ Having returned all or part of the PPP loan,</li> <li>○ Having not drawn the entire loan amount that was approved by the lender,</li> <li>○ Failing to include any compensation for its partners in the original application, or</li> <li>○ Being a seasonal employer that now qualifies for an increased loan amount under the new provisions</li> </ul> </li> <li>• Business concern, independent contractor, eligible self- employed individual, sole proprietor, nonprofit organization eligible for a 2020 PPP loan, veterans’ organization, tribal business concern, housing cooperative, small agricultural cooperative, eligible 501(c)(6) organization not conducting substantial lobbying activities or destination marketing organization, or an eligible nonprofit news organization <ul style="list-style-type: none"> <li>○ Meets the “small business” definition <ul style="list-style-type: none"> <li>○ Generally, 500 employees including affiliates or SBA Industry Standard based on size/revenue</li> <li>○ 500 employees reduced to 300 for eligible Section 501(c)(6) organization, destination marketing organizations, housing cooperatives</li> <li>○ A business can qualify under the alternative size standard, if as of March 27, 2020, it (1) had a maximum tangible net worth of not more than \$15 million, and (2) had an average net income after</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Previously received a first draw PPP loan in 2020 or 2021</li> <li>• Used, or will use, the full amount of its first draw PPP loan received in 2020 or 2021 on authorized uses on or before the disbursement date of the second draw PPP loan</li> <li>• Employs, along with its affiliates, <b>not more than 300 employees</b>, unless it satisfies the alternative criteria for businesses with a North American Industry Classification System (NAICS) code beginning with 72 (restaurants and hospitality) and 511110 or 5151 (eligible news organizations)</li> <li>• Experienced at least a 25% reduction in 2020 gross receipts when compared to 2019 gross receipts, measured as follows: <ul style="list-style-type: none"> <li>○ If in operation all quarters in 2019, compare gross receipts reported on the 2019 tax return to the gross receipts for the 2020 tax return, or</li> <li>○ Compare any quarter in 2020 to the same quarter in 2019</li> </ul> </li> </ul>

	US federal income taxes of not more than \$5 million for the last two fiscal years before the date of the application	
<b>Affiliation Rules</b>	<ul style="list-style-type: none"> <li>• Borrowers are considered together with their affiliated businesses for purposes of determining eligibility for a PPP loan. In ascertaining the number of employees, employee counts include those of the borrower and its affiliates, although the affiliation rules are waived for: <ul style="list-style-type: none"> <li>○ A business concern with not more than 500 employees that, as of the date on which the covered loan is disbursed, is assigned a NAICS code beginning with 72; (i) any business concern (including any station that broadcasts pursuant to a license that employs not more than 300 employees, per physical location of such business concern and is majority owned or controlled by a business concern that is assigned a NAICS code beginning with 511110 or 5151; or (ii) any nonprofit organization that is assigned a NAICS code beginning with 5151; and</li> <li>○ A business concern operating as a franchise that is assigned a franchise identifier code by the Administration.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Same as first draw except “300” is substituted each time “500” employees appear</li> </ul>
<b>Necessity for Certification</b>	<ul style="list-style-type: none"> <li>• The borrower must certify that the “current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant”</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Continues to be a requirement</b> (notwithstanding the implication that the 25% revenue reduction illustrates necessity)</li> </ul>
<b>Excluded Entities</b>	<ul style="list-style-type: none"> <li>• The following are not eligible for a PPP loan: <ul style="list-style-type: none"> <li>○ Publicly traded company</li> <li>○ Debtor in bankruptcy proceedings</li> <li>○ Entity that has permanently closed</li> <li>○ Business concern or entity primarily engaged in political or lobbying activities</li> <li>○ Business concern or entity for which an entity created in or organized under the laws of the People’s Republic of China or the Special Administrative Region of Hong Kong holds directly or indirectly at least 20% of the <i>economic</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Same as first draw even if a first draw PPP loan was received in 2020</li> </ul>

	<p><i>interest of the business or entity or that retain a China-resident person as a member of the entity's board of directors</i></p> <ul style="list-style-type: none"> <li>○ Person required to submit a registration statement under Section 2 of the Foreign Agents Registration Act of 1938</li> <li>○ Person or entity that receives a grant for shuttered venue operators under Section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act</li> <li>○ Entity in which the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, directly or indirectly holds a controlling interest in the entity, where any issuer, the securities of which are listed on an exchange registered as a national securities exchange</li> <li>○ Entity that has previously received a second draw PPP loan</li> </ul>	
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>• Original formulas continue to apply to determine the loan size, i.e., 2.5 times the average monthly payroll costs limited to \$10 million per borrower with an overall limit of \$20 million when including loans to members of the same corporate group.</li> <li>• The borrower can elect to use the average monthly payroll costs for calendar year 2019, calendar year 2020 or the one-year period before the loan application. Special rules apply to seasonal employers and those who were not in business during 2019. Note that the definition of payroll costs has been changed to include life and disability coverage paid by the employer.</li> </ul>	<ul style="list-style-type: none"> <li>• Generally, the same 2.5 times average monthly payroll costs for most borrowers; but restaurants, hotels and other establishments that provide lodging and/or food for immediate consumption (NAICS code 72 entities) are allowed a factor of 3.5 times average monthly payroll costs.</li> <li>• All second draw PPP loans are capped at a maximum of \$2 million per borrower (per location for NAICS code 72, 511110 or 5151) and with an overall limit of \$4 million when including loans to members of the same corporate group.</li> <li>• Like first draw PPP loans, the borrower can elect to use the average monthly payroll costs for calendar year 2019, calendar year 2020 or the one-year period before the loan application. Special rules apply to seasonal employers and those who were not in business during 2019. Note that the definition of payroll costs has been changed to include life and disability coverage paid by the employer.</li> </ul>

<b>Revenue Reduction Documentation</b>	N/A	<ul style="list-style-type: none"> <li>• For loans that exceed \$150,000, the applicant must submit documentation that substantiates the 25% or greater revenue reduction.</li> <li>• For loans that do not exceed \$150,000, documentation is not required with the loan application, but it must be submitted to receive forgiveness. If a borrower does not apply for forgiveness, the documentation must be provided if requested by the SBA.</li> </ul>
<b>Payroll Documentation</b>	<ul style="list-style-type: none"> <li>• Documents must be submitted with the loan application that demonstrates eligibility for the loan and to evidence the qualifying payroll amount. This documentation may include payroll records, payroll tax filings, Form 1099-MISC, Schedule C or F, income and expenses from a sole proprietorship, or bank records.</li> </ul>	<ul style="list-style-type: none"> <li>• Documentation of payroll costs is not required when the same lender that processed the original loan is handling the second draw and the 2019 calendar payroll figures are used for both the original or first draw and the second draw.</li> <li>• If the borrower elects different payroll costs for the second draw, substantiation will be required.</li> <li>• Additional documentation may be requested by the lender if helpful in conducting the good-faith review of the borrower's application.</li> </ul>
<b>Use of Loan Proceeds</b>	<ul style="list-style-type: none"> <li>• Payroll costs <ul style="list-style-type: none"> <li>○ Cash payroll</li> <li>○ Employer cost of health care</li> <li>○ Employer retirement plan contribution</li> <li>○ Employer state payroll tax</li> <li>○ Life and disability benefits (new)</li> </ul> </li> <li>• Non-payroll costs for obligations in existence on February 15, 2020 <ul style="list-style-type: none"> <li>○ Interest on mortgages</li> <li>○ Rent to unrelated parties</li> <li>○ Utilities</li> </ul> </li> <li>• New non-payroll costs <ul style="list-style-type: none"> <li>○ Covered operations expenditure</li> <li>○ Covered property damage costs</li> <li>○ Covered supplier costs</li> <li>○ Covered worker protection expenditure</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Same as first draw PPP loans</li> </ul>

<b>Covered Period</b>	<ul style="list-style-type: none"> <li>• For all loan forgiveness applications filed after December 27, 2020, the covered period: <ul style="list-style-type: none"> <li>○ Starts on the disbursement date</li> <li>○ Ends on any day that is at least eight but not more than 24 weeks later (or any time frame in between) than the start date</li> </ul> </li> <li>• The end of the covered period will determine the date on which safe harbors must be satisfied.</li> </ul>	<ul style="list-style-type: none"> <li>• Same as first draw PPP loan rules</li> </ul>
<b>Loan Forgiveness</b>	<ul style="list-style-type: none"> <li>• Loan forgiveness must be applied for within 10 months following the end of the selected covered period to avoid loan payments.</li> <li>• Loan may be forgiven to the extent the loan proceeds are spent on the expanded payroll costs and other eligible expenses, as described above, within the covered period.</li> <li>• In addition to the use on qualified expenses, full forgiveness requires <ul style="list-style-type: none"> <li>○ Full-time equivalent employee and compensation levels be maintained (full forgiveness may be achieved even with some reduction of full-time equivalent employees or wages/salaries)</li> <li>○ At least 60% of the proceeds are spent on payroll costs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Same as first draw PPP loan rules</li> </ul>
<b>Maturity Date and Interest Rate</b>	<ul style="list-style-type: none"> <li>• 100 basis points (1%)</li> <li>• Five years</li> </ul>	<ul style="list-style-type: none"> <li>• Same as first draw if received in 2021</li> </ul>