**PAYCHECK PROTECTION PROGRAM FIRST DRAW LOANS**

SBA is reopening the Paycheck Protection Program (PPP) for First Draw Loans the week of January 11, 2021. First Draw PPP Loans can be used to help fund payroll costs, including benefits. Funds can also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations.

**Full Forgiveness Terms**

First Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:

• Employee and compensation levels are maintained;

• The loan proceeds are spent on payroll costs and other eligible expenses; and

• At least 60 percent of the proceeds are spent on payroll costs.

**Who Can Apply**

Eligible small entities, that together with their affiliates (if applicable), have 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—can apply. Entities with more than 500 employees in certain industries that meet SBA’s alternative size standard or SBA’s size standards for those particular industries can also apply.

**Maximum Loan Amount**

The maximum loan amount of a PPP Loan is 2.5x average monthly 2020 payroll costs up to $10 million. Please note that for loan amount calculation purposes, annual compensation is capped at $100,000 per employee.

**How and When to Apply**

Borrowers can apply for a First Draw PPP Loan until March 31, 2021, through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, eligible non-bank lender, or Farm Credit System institution that is participating in PPP. All new First Draw PPP Loans will have the same terms regardless of lender or borrower.

## First Time PPP Borrowers

|  |  |
| --- | --- |
| **Max Loan Amount & Terms** | * Up to $10,000,000 * Max 5-year term * Interest rate 1.0% APR * First payment not due until borrower has applied for and received a forgiveness determination   *Loan amount is based on 2.5x monthly payroll expenses* |