

Revised Mar. 26th

## **Paycheck Protection Program General Summary**

The Arts & Business Council of Greater Boston is committed to providing the best up-to-date information on the Paycheck Protection Program as soon as it becomes available. The SBA is currently implementing the **American Rescue Plan Act** signed into law by President Biden on **March 11, 2021**. We will continue to update this document with more information as it becomes relevant and available.

The SBA currently offers PPP loans until May 31<sup>st</sup>, 2021.

Congress created the **Paycheck Protection Program (PPP)** under the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was signed into law on March 27, 2020. The PPP provides small business loans backed by the U.S. Small Business Administration (SBA). Loan proceeds are meant to pay employee wages, although a certain portion of the funds may be used for other eligible business expenses. If the funds are used as intended, the entire loan can be forgiven by the federal government. Businesses must apply for these loans through a bank or other approved lender.

Individuals who operate under a sole proprietorship or as independent contractors are eligible to apply for a **PPP** loan so long as they were in operation on **February 15, 2020** and meet the other eligibility requirements for the program.

Each applicant seeking a PPP loan must submit a Paycheck Protection Program Borrower Application Form (SBA Form 2483) to a participating lender (together with any other documentation required by the lender as part of the application process). [This form is available on the SBA website.](#)

The **American Rescue Plan Act** provides additional relief for the nation's small businesses and hard-hit industries for programs SBA is currently administering and adds new efforts, including:

- \$7.25 billion additional for the [Paycheck Protection Program](#), including to expand eligibility to additional nonprofits and digital news services
- Additional funds allocated for the [Shuttered Venue Operators Grant \(SVOG\)](#) program, and now allows businesses to apply for both a PPP loan after Dec. 27, 2020, **and** the SVOG.
- For those who plan to submit an SVOG application on or after April 8, 2021, and are also interested in securing a PPP loan now, you **must** apply for the PPP before you apply for the SVOG.

For **self-employed Schedule C** individuals who struggled to find lenders that offered recently updated application forms featuring the more generous "gross revenue" line 7 of Schedule C application forms for either first draw or second draw, lenders will now have time to update systems so you can apply with the correct forms to ensure you receive a larger forgivable loan.

For those who received first draw PPP in the first quarter of 2021 now have more time to properly complete spending down your first draw in as few as 8 weeks and then apply for a second draw PPP before **May 31<sup>st</sup>**.

Existing PPP borrowers that did **not** receive loan forgiveness by December 27, 2020 may:

- Reapply for a First Draw PPP Loan if they previously returned some or all of their First Draw PPP Loan funds, or
- Under certain circumstances, request to modify their First Draw PPP Loan amount if they previously did not accept the full amount for which they are eligible.