

A special application window for nonprofits with fewer than 20 employees



For a two-week period, the Small Business Administration and Paycheck Protection Program lenders will process loan applications **ONLY** from **nonprofits and for-profit businesses with fewer than 20 employees.**

Special Application Window:

Wednesday, February 24, through Tuesday, March 9

Why? To provide more equitable relief by “targeting the PPP to the smallest businesses (and nonprofits!) and those that have been left behind in previous relief efforts,” and to ensure that lenders give smaller employers the attention they need to work their way through the application process.

If you think your nonprofit may be eligible for an initial PPP loan or a second draw loan – and your organization has fewer than 20 employees – NOW is the best time to contact a lender ([find eligible lenders](#)) and find out how much relief may be available to you.

Need help? Get assistance from your local SBA office ([search here](#)).

PPP 2.0 Overview

The PPP 2.0 lenders are accepting applications through March 31, 2021. These loans (forgivable if you meet the requirements) are available on a first-come, first-served basis.

Similar to the PPP in 2020, **PPP 2.0 will require borrowers to work through a [lending partner](#) (bank or financial institution) approved by the [Small Business Administration](#)**, and loans are forgivable if borrowers meet the loan forgiveness requirements.

The [PPP 2.0](#) includes two avenues for accessing funds: **First Draw Loans** and **Second Draw Loans**:

[First Draw Loans](#)

- Open to organizations that did not receive a PPP loan in 2020, or that did not receive forgiveness by 12/27/20 for a 2020 PPP loan, and either returned or did not accept a portion of that loan
- Small businesses and nonprofits with 500 or fewer employees are eligible

Also: tribes, self-employed individuals, and independent contractors

[Second Draw Loans](#)

For organizations that received a PPP loan in 2020 and

- have used or will use the full loan amount for authorized expenses have 300 or fewer employees
- can show a 25% or more decrease in gross revenue between comparable quarters in 2019 and 2020

For most borrowers, the maximum Second Draw loan amount is 2.5 times the average monthly payroll costs for either 2019 or 2020.

PPP 2.0 webinar recording and slides

[Paycheck Protection Program 2.0: Eligibility and Application](#) (recording)

Julie Clowes, District Director for the San Francisco Office of the Small Business Administration, reviewed the details of the new Paycheck Protection Program (PPP 2.0). Download the slides: http://bit.ly/PPP_Slides

PPP 2.0 – more details

Both types of loans are forgivable if, within the 8- to 24-week period after the loan is received, the organization:

- maintains employee and compensation levels
- spends the funds on payroll (at least 60% of total) and other eligible expenses

Funds from both loan types can be spent on:

- payroll costs, including benefits mortgage interest, rent, utilities
- worker protection costs related to COVID-19 certain other operations expenses

The new PPP 2.0 includes special set-aside funds (First Draw more than \$15 billion; Second Draw, more than \$25 billion) for borrowers with 10 or fewer employees or for loans \$250,000 or less for borrowers in low- or moderate-income neighborhoods.

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Note to arts nonprofits

Nonprofits that received a PPP in 2020 can apply for the new federal [Shuttered Venue Operators Grant Program](#) (aka **Save Our Stages**), if they are eligible, but cannot receive both a Second Draw PPP loan *and* a Shuttered Venue Operators grant. This program is not yet accepting applications.