



January 8, 2021

Update from Ranking Member Blaine Luetkemeyer: PPP Reopening and Guidance

Within the small business provisions of the COVID Relief Bill that was signed into law by President Trump on December 27, 2020, Congress was able to restart and provide appropriate and targeted funding for the Paycheck Protection Program (PPP). The PPP, which provides forgivable loans, has been a lifeline for our nation's small businesses during these challenging times.

Beginning on Monday, January 11, 2021, the Small Business Administration (SBA) and the Department of the Treasury will open the PPP to small businesses that have not received a first draw PPP and the entities that are newly eligible such as 501(c)(6)s.

The Monday, January 11, 2021 opening date will be reserved for community financial institutions, including Community Development Financial Institutions (CDFIs) to make first draw PPP loans.

These same community financial institution lenders will then be able to make second draw loans on Wednesday, January 13, 2021.

They expect to add other categories of lenders for both first draw and second draw applicants soon thereafter.

Under the law, the SBA and the Department of the Treasury had 10 days to provide guidance on how the PPP will operate moving forward in accordance to the new legislation. This new guidance will be critically important for small businesses and lenders.

On the evening of January 6, 2021, the SBA and the Department of the Treasury released several important documents that will allow the PPP to reopen effectively and efficiently. Below are the documents that were released:

- [An Interim Final Rule \(IFR\) that consolidates numerous existing IFRs pertaining to origination and eligibility for first draw PPPs](#)
- [An IFR outlining origination and eligibility for second draw PPPs](#)
 - Please note: A third IFR that will provide details on the new simplified PPP Loan Forgiveness process will be forthcoming. The Simplified Loan Forgiveness application will be developed and published later in month. Under the law, the SBA and the Department of the Treasury have 24 days to publish this document. The deadline is January 20, 2021.
- [Guidance that addresses barriers to accessing capital for minority, underserved, veteran, and women-owned small businesses as it pertains to PPP](#)

The new first draw and second draw PPP applications will be published by the SBA and the Department of the Treasury imminently. Additionally, the agencies plan to conduct comprehensive outreach to small businesses and lenders in the coming days to ensure that maximum clarity is met for this round of PPP.