

January 13, 2021

TO: ALL MEMBERS OF THE
PENN-DEL-JERSEY CHAPTER, NECA

FROM: AARON R. KELLEY,
GOVERNMENT AFFAIRS COORDINATOR

RE: **PAYCHECK PROTECTION PROGRAM EXPANSION**

The Federal FY2021 Appropriations and COVID-19 Relief Bill passed last month extends the [Paycheck Protection Program \(PPP\)](#) and authorizes Second Draw PPP Loans.

On January 11, the PPP Loan Portal [was reopened](#) to First Draw Loan applications from “community financial institutions” (CFIs) and their customers. On January 13, the Portal began accepting Second Draw applications from the same. The Portal will soon begin accepting applications for both loan types from all participating lenders.

Speak with your lender as soon as possible if you wish to receive either type of loan. General eligibility requirements for First and Second Draw PPP Loans are below:

First Draw PPP Loan:

You are eligible if you...

- 1.) Have 500 or fewer employees, and
- 2.) Never received a First Draw PPP Loan OR did not have your First Draw PPP Loan forgiven but previously returned some or all of the loan funds.

Second Draw PPP Loan:

You are eligible if you...

- 1.) Have 300 or fewer employees, and
- 2.) Previously received a First Draw PPP Loan, and

- 3.) Will use or have already used the full amount of your First Draw PPP Loan only for authorized uses, and
- 4.) Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

For most borrowers, the maximum amount of a Second Draw PPP Loan is 2.5 times your average monthly 2019 or 2020 payroll costs up to \$2 million.

Applications will be accepted through March 31, 2021 for both types of loans.

If you have any questions, please contact me at akelley@neca-pdj.org.

Very Respectfully,

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