

For Two Weeks, Only Businesses With Fewer than 20 Employees May Apply for PPP - February 24 through March 9

The Biden-Harris administration announced on Feb. 22, 2021 several changes to the Paycheck Protection Program (PPP), including a focus on small minority-owned businesses. This first formal statement sets the tone of the new administration's approach to the PPP by focusing relief on the smallest businesses and those that did not previously receive funds, in addition to inclusion and diversity.

Most importantly, **starting Wednesday, Feb. 24, 2021 there will be a two-week period during which only businesses with fewer than 20 employees can apply for the PPP.** The administration states that it will also make a sustained effort to work with lenders and small business owners to ensure small businesses take maximum advantage of this two-week window.

Other important changes include:

- revision to the PPP loan calculation formula for sole proprietors, independent contractors, and self-employed individuals (specifics of the revision have not been released);
- elimination of an exclusionary restriction that prevents small business owners with prior non-fraud felony convictions from obtaining a PPP loan;
- elimination of an exclusionary restriction that prevents small business owners who are delinquent on their federal student loans from obtaining a PPP loan; and
- ensuring access for non-citizen small business owners who are lawful U.S. residents by clarifying that they may use Individual Taxpayer Identification Numbers (ITINs) to apply for a PPP loan.

The Biden-Harris administration also stated that it is committed to taking steps to address waste, fraud and abuse of federal relief programs; promote transparency of government relief funds; improve SBA website infrastructure; expand outreach efforts; and create new initiatives for lender engagement.

We expect the Small Business Association (SBA) to issue updated guidance to reflect the administration's policy decisions.

The attorneys at Bond, Schoeneck and King can assist you with obtaining first and second draw PPP monies. Please contact [Jeffrey B. Scheer](#) or the attorney at the firm with whom you are regularly in contact.



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