



Paycheck Protection Program – Deadline Extended –

- The Paycheck Protection Program (PPP) has re-opened and is accepting applications for “first draw” and “second draw” loans through May 31, 2021. First time applicants are encouraged to apply by May 3, 2021.
- “First draw” PPP – You are eligible for a “first draw” loan if you have not previously received PPP funds (even if you applied) AND you are a small businesses (no more than 500 employees) or sole-proprietor; you were in operation by February 15, 2020; you have a Tax ID.
- “Second draw” PPP – You are eligible for a “second draw” loan if you previously received PPP funding AND you are a small businesses with no more than 300 employees or a sole-proprietor; were in operation on or before February 15, 2020; and you have a Tax ID. You must demonstrate a loss of 25 percent in any quarter during 2020 compared to the same quarter in 2019; funds from your first loan must be spent before your second loan is disbursed.
- This round of PPP has been simplified and there is an emphasis on serving women- and minority-owned businesses in low-income neighborhoods, so even if you didn’t receive funding in the first round, you are highly encouraged to apply.
- When PPP was first introduced in 2020:
 - \$647 million in total PPP loans to Detroit businesses
 - 5412 total PPP loans made to Detroit businesses
 - \$120k Avg. loan amount
 - 58k jobs retained by Detroit businesses that received PPP loans
- Grants are certainly more attractive than loans, but there simply isn't enough grant funding available to support all 30,000 small businesses in Detroit. This new program is funded by the \$284 billion in additional SBA PPP funding that was included in the recent federal COVID relief bill.
- According to the SBA, the new program includes the following updates:
 - PPP borrowers can set their PPP loans covered period to be any length between 8 and 24 weeks to best meet their business needs
 - PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures
 - The Program’s eligibility is expanded to include 501(c)(6)s, housing cooperatives, destination marketing organizations, among other types of organizations
 - The PPP provides greater flexibility for seasonal employees
 - Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount
 - Certain existing PPP borrowers are now eligible to apply for a Second Draw PPP Loan
- Loan forgiveness
 - If your business uses at least 60% of your PPP loan on payroll expenses and maintains employment levels during the covered period of the loan (8- 24 weeks), you can apply to have the loan forgiven (this means you pay no interest and the loan does not need to be paid back).
 - Otherwise, the loans carry a 1% interest rate and a maturity of five years. Forgiven PPP loans are not considered income for federal tax purposes.



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- What businesses will need to apply
 - Business and Personal Tax Returns (1-3 years)
 - 2020 Interim Financial Statements
 - Payroll information: IRS Forms 940, 941, W-3, and/or Detailed Payroll Summary Report
 - Business Property Mortgage Statement or Lease Agreement + business Property Utility Bills
 - SBA Personal Financial Statement (SBA Form 413)
- Visit [DetroitMeansBusiness.org](https://detroitmeansbusiness.org) for the latest PPP info and for free resources and guidance.
 - 1on1 Application and Loan Forgiveness Resources: <https://detroitmeansbusiness.org/financial-resources/paycheck-protection-program/>
 - **1on1 Application Support:** The MBA Response is a social enterprise with a mission to build capacity in under-resourced organizations and create a generation of leaders who serve. They have a dedicated team of MBA Students ready to help Detroit-area small businesses answer questions about PPP applications. Schedule an initial appointment at: <https://mbareponse.org/detroit-ppp>
 - **1on1 Financial Documentation Preparation Support:** [Master's in Accounting Students](#) from the University of Michigan are available weekly for multiple consultations via phone, Zoom or Google Hangout to help you prepare required financial documentation for the PPP application. [Select a time from the calendar](#) schedule your first meeting.
 - **1on1 Loan Forgiveness:** Legal experts available through the Michigan Community Resource's Virtual Legal Clinic are available daily for 45 minute phone or Zoom consultations to help bridge the gap to understand PPP loans in the context of a small business owner's unique circumstances, explore considerations, strategies and options available, and to navigate resources and guidance around being best situated for PPP loan forgiveness. [Complete a brief intake form](#) to be connected to expert legal assistance within three days.
- Connect to a local lender to submit your application:
 - Community Development Financial Institutions
 - [CRF Detroit](#)
 - [Opportunity Resource Fund](#)
 - Banks: If applying with a bank below, you must either have an existing or establish a new business deposit/investment account with the bank to qualify for financing thru them per the Know Your Customer Rules of SBA PPP
 - [Bank of America](#)
 - [Chase Bank](#)
 - [Fifth Third Bank](#)
 - [Huntington Bank](#)