



Paycheck Protection Program (PPP) Small Business Administration Loan



PAYCHECK PROTECTION PROGRAM SECOND DRAW LOANS

The Paycheck Protection Program (PPP) now allows certain eligible borrowers that previously received a PPP loan to apply for a Second Draw PPP Loan with the same general loan terms as their First Draw PPP Loan. Second Draw PPP Loans can be used to help fund payroll costs, including benefits. Funds can also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations.

Full Forgiveness Terms

Second Draw PPP Loans made to eligible borrowers qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement:

- Employee and compensation levels are maintained in the same manner as required for the First Draw PPP loan;
- The loan proceeds are spent on payroll costs and other eligible expenses; and
- At least 60 percent of the proceeds are spent on payroll costs.

Targeted Eligibility

A borrower is generally eligible for a Second Draw PPP Loan if the borrower:

- Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses;
- Has no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

Maximum Loan Amount and Increased Assistance for Accommodation and Food Services Businesses

For most borrowers, the maximum loan amount of a Second Draw PPP Loan is 2.5x average monthly 2019 or 2020 payroll costs up to \$2 million. For borrowers in the Accommodation and Food Services sector, the maximum loan amount for a Second Draw PPP Loan is 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million.



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SUPPORTING DOCUMENTS THAT MUST BE INCLUDED WITH APPLICATION:

- Identification Forms
 - Scan of ID for all owners
- Articles of Organization and Business Licenses (not necessary for Sole Proprietors or Independent Contractors)
- 2019 and 2020 IRS Quarterly 940, 941 or 944 payroll tax reports
- Revenue Documents
 - Proof the business was in operation prior to February 15, 2020 – this could include a copy of an invoice, Bank Statement, payroll statement or similar documentation
 - Proof of Revenue Reduction of at least 25%.
 - Copy of Financial statement for the same quarter of 2019 and 2020 reflecting the 25% reduction OR
 - Copy of full Fiscal Year End 2019 and 2020 financial statement or income tax return reflecting a reduction of at least 25%
- Payroll reports for a twelve-month period (ending on your most recent payroll date), which will show the following information:
 - Gross wages for each employee, including officer(s) if paid W-2 wages
 - Paid time off for each employee; vacation pay for each employee
 - Family medical leave pay for each employee
 - State and local taxes assessed on an employee's compensation
- 1099s for independent contractors for 2019 and 2020
- Documentation showing total of all health insurance premiums paid by the company owner(s) under a group health plan.
 - Include all employees and the company owners
- Document the sum of all retirement plan funding that was paid by the company owner(s) (do not include funding that came from employees out of their paycheck deferrals).
 - Include all employees and the company owners
 - Include 401K plans, Simple IRAs, SEP IRAs



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