

President Biden announced important changes to the PPP, including a two-week window for businesses with fewer than 20 employees.



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# Second Draw PPP Loans

*If you have previously received a PPP loan, certain businesses are eligible for a Second Draw PPP Loan.*

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## Notice: Exclusivity period for the very smallest businesses & other changes

A 14-day exclusivity period for businesses and nonprofits with fewer than 20 employees **will begin on Wednesday, February 24, 2021, at 9 a.m. ET and end on Tuesday, March 9, 2021, at 5 p.m. ET.**

All applications already submitted by lenders to SBA before the start of the exclusivity period will still be processed by SBA. During the two-week period, SBA will not accept new applications from lenders for businesses and nonprofits with 20 or more employees, so that lenders can focus on serving smaller companies. Once the exclusivity period ends, lenders will be able to submit PPP loan applications for all eligible businesses and nonprofits again.

[Additional PPP changes promoting equitable relief for the smallest of small businesses are to be implemented in early March.](#)

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The Paycheck Protection Program 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.

## 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 the average monthly 2019 or 2020 payroll costs up to \$2 million. For borrowers in the Accommodation and Food Services sector (use [NAICS 72](#) to confirm), the maximum loan amount for a Second Draw PPP Loan is 3.5x the average monthly 2019 or 2020 payroll costs up to \$2 million.

## Who may qualify

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

## How and when to apply

Small businesses and non-profits with fewer than 20 employees and sole proprietors can apply for Second Draw PPP loans from February 24 through March 9, 2021. The program will be open to all

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If you wish to begin preparing your application, you can download the following PPP borrower application form to see the information that will be requested from you when you apply with a lender:

- [Paycheck Protection Program Second Draw Borrower Application Form](#) (updated 03-03-21)
- [Paycheck Protection Program Second Draw Borrower Application Form for Schedule Filers Using Gross Income](#) (published 03-03-21)

### Supplemental materials

- [Top-line Overview of Second Draw PPP Loans](#)
- [Frequently Asked Questions for Lenders and Borrowers \(updated 03-03-21\)](#)
- [Second Draw PPP Loans: How to Calculate Revenue Reduction and Maximum Loan Amounts Including What Documentation to Provide \(01-19-21\)](#)
- [Frequently Asked Questions for Faith-Based Organizations Participating in the PPP and Economic Injury Disaster Loan Program](#)
- [PPP Myth vs. Fact](#)
- [Cross Program Eligibility on SBA Coronavirus Relief Options](#)

### Affiliation rules

- [Paycheck Protection Program Affiliation Rules](#)
- [Interim Final Rule for Applicable Affiliation Rules](#)

## Existing borrowers

Lenders typically decide when to submit individual PPP loan applications to SBA. **Therefore, any questions or concerns regarding individual PPP loan applications must be directed to your lender.**

For borrowers who have had their application submitted to SBA by their lender, you can create an account in the SBA [Capital Access Financial System](#) (or CAFS) to monitor their loan status. [Get](#)

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