



Community Bankers Association of Illinois

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Good afternoon,

This morning, the Biden administration released plans to “pause” Paycheck Protection Program lending ([see briefing here](#)) for all but the smallest employers (less than 20 employees). This change in the program will take place on Wednesday, February 24, and last until the evening of Tuesday, March 9, 2021.

Further, the administration will issue new methodology for calculating loan amounts for sole proprietors, independent contractors and self-employed individuals. This plan will allow those businesses to access more funds through the program.

Additionally, the changes will:

- Eliminate an exclusionary restriction that prevents small business owners with prior non-fraud felony convictions from obtaining relief through the Paycheck Protection Program;
- Eliminate an exclusionary restriction that prevents small business owners who are delinquent on their federal student loans from obtaining relief through the Paycheck Protection Program; and
- Ensure 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 relief.

Finally, the SBA is launching a new initiative to deepen its relationships with lenders. This model will increase the opportunity for lenders to provide recommendations and ask questions about the PPP and drive resolution of open questions and concerns in a more streamlined way.

Other Updates

- According to the SBA, the new form 3508S is effective as of the date it was issued. SBA is allowing lenders 60 days (until March 5, 2021) to process the forgiveness request from borrowers that were in the pipeline prior to the issuance of the new forms. Any new forgiveness requests from the borrowers must be made by using the new forms.
- As of the end of last week, \$125 billion of the \$284 billion of funding has been utilized in this round of PPP.
- New Application Forms: Last week, the Small Business Administration released new application forms for first- and second-draw PPP loans. The new form moved the demographic questions to the top of the application, from their previous place at the bottom, where very few borrowers were completing them. While the demographic questions are still not required, the SBA expressed hope that the more prominent placement of the questions would encourage more borrowers to complete those sections. The [new application forms](#) are available on the Treasury Department website.

As always, CBAI is dedicated to our members and will continue to share information regarding PPP lending as it becomes available.

Additional resources can be found at the links below:

[SBA PPP Resource Page »](#)

[Treasury Resource Page »](#)

