

SBA Releases Guidance on Priorities for Second Round of PPP Loans

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[As we reported last week](#), the SBA recently released guidance on the second round of Paycheck Protection Program loans (PPP2). Over the weekend, the SBA released guidance specifically addressing efforts to support capital access for minority, underserved, veteran and women-owned businesses.

Below are a few key statistics included in the guidance (available [here](#)), which outlines how the program has helped these groups to date and will continue to support these groups:

- The Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act (Economic Aid Act), set aside funds for new/smaller borrowers, for borrowers in low- and moderate-income communities, and for community and smaller-sized lenders. These set-asides include: \$15 billion for first and second draw PPP loans for lending by community financial institutions; \$15 billion across first and second draw PPP loans for lending by Insured Depository Institutions, Credit

Unions, and Farm Credit System Institutions with consolidated assets of less than \$10 billion; \$35 billion for new first time PPP borrowers; and \$15 billion and \$25 billion for first draw and second draw PPP loans, respectively, for borrowers with a maximum of 10 employees or for loans less than \$250,000 to borrowers in low- or moderate-income neighborhoods. The SBA has determined that at least 25% of each of those set-asides will go to each one of the groups: loans to borrowers with a maximum of 10 employees and loans less than \$250,000 to borrowers in low- or moderate-income neighborhoods.

- PPP loans to date have been distributed across various areas of the economy, with 27% of the funds going to low- and moderate-income communities, which is in proportion to their percentage of the population. More than 70% of PPP loans have been made to businesses with less than 10 employees.

We will continue to monitor developments on the latest PPP funding and provide updates as available.