

Small Businesses Don't Delay: PPP Exclusivity Period Ends Soon and Other Updates

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[As we reported](#) at the beginning of the year, the second wave of the Paycheck Protection Program ("PPP2") rolled out additional funding for qualifying second-round PPP borrowers and first-time borrowers that meet eligibility requirements. The SBA announced that these PPP2 loans would primarily be focused on supporting minority, underserved, veteran, and women-owned small businesses. Last week, President Biden announced updates to the PPP2 program in order to further bolster the focus on small, "mom and pop" shops.

Beginning on February 24 and for a period of 14 days, new PPP applications will only be accepted for review by the SBA for businesses with less than 20 employees (representing about 98% of small businesses). This exclusivity period will end on March 9 at 5:00 p.m. Eastern Time. After the exclusivity period, lenders will be able to submit PPP loan applications to the SBA for

all eligible businesses again. If you submitted a PPP loan application to your lender before this exclusivity period, these will still be processed by the SBA.

In addition to this exclusive application period, President Biden's administration and the SBA also announced the following updates to the program:

- Revises the PPP funding formula so that sole proprietors, independent contractors, and self-employed individuals are able to receive more funding under the program;
- Removes the prior restrictions on applicants with (i) prior non-fraud felony convictions and (ii) student loan delinquency; and
- Allows applicants to use Individual Taxpayer Identification Numbers (ITIN) to apply for the loans - giving greater access to non-citizen small business owners that are US residents.

As a reminder, the general application period for PPP2 is set to close on March 31, 2021. See the SBA's website [here](#) for more information about the PPP2 program.