



SBA Updates on Disaster Loan Funding

Webinar Chat Q&A

January 8, 2021

1. Will any portion of the EIDL loan be forgiven?
 - a. Only the EIDL Advance portion of EILD will be forgiven. The EIDL Advance was a program in 2020 and is NOT available at this time, as of today. There may be more information on the EIDL Advance in the future related to the Economic Aid Act.
2. Can I apply for the PPP with no income to report in 2019?
 - a. Still waiting on guidance for this one. Had to be eligible the first time. If you mean you were not in business – yes you can still apply if you were in business as of February 20, 2020. This also depends on how your business is organized and taxed. Contact us to visit directly about this by [scheduling an appointment](#).
3. What documents/info do we need to provide for the new PPP?
 - a. Similar to what the first round of PPP required. The new application for the second round of PPP has not been finalized so more details to come. You will need documents to prove the 25% decrease in revenue as well as payroll figures used. Your lender will have more detail about exact documents once applications are finalized.
 - b. We applied for an EIDL in August and have been told "You are in the queue" since then. Call the Office of Disaster Assistance – reconsideration number 800-736-6048. Customer service number 800-659-2955. If you have portal access, check for another contact number they might provide. Also email disastercustomerservice@sba.gov
4. What numbers are used to determine total loan amount?
 - a. EIDL – this is based on working capital needs. Expenses like cost of goods sold are used to decide a loan amount.

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- b. PPP uses payroll figures and there is a calculation done. You can learn more about how PPP is calculated on the actual application or on the [PPP guidance](#).
5. How can one increase the loan amount?
 - a. EIDL loan increases can be done by requesting a reconsideration. Send an email to SBA Office of Disaster Assistance at pdcrecons@sba.gov. See the SBA presentation slides 9-13 for specific instructions.
6. If you are requesting additional funds for your EIDL, does that then just get added to your loan or does that become another loan?
 - a. Added to the existing loan at the same terms.
7. Separately from the EIDL, for a period of time early in the pandemic, the SBA provided grace on existing SBA loans, making those payments for businesses from May through October. Is there any discussion of offering that again in 2021?
 - a. There is discussion around this, but no details as of this date. More information to come on this.
8. Can we apply for PPP if we are filing Missouri Shared Work unemployment for a portion of our staff?
 - a. Yes, the Missouri Shared Work Program does not disqualify you from applying for PPP. You would want to be sure to do some calculations on full time employees though to ensure forgiveness would not be impacted. The Missouri SBDC can assist with analyzing this.
9. Draws on this new PPP funding will use application/ information/ forms used to apply for initial round of PPP funding (last summer). Is that correct? So we don't have to complete new paperwork if we want an additional loan for the same business...
 - a. There will be a new application for the second round of PPP loans. Loans will NOT be tied together – PPP will be two different loans. You will have to reapply for PPP through your lender.
10. Do borrowers need to apply for forgiveness prior to receiving second round funding?
 - a. Waiting for official guidance on this. If you have not applied for forgiveness yet and still want a second PPP loan go ahead and work with your lender and they can provide additional information.
11. Can we use a different Bank of the PPP from the first PPP
 - a. Yes, in theory – nothing at this point says “no”. More details will come.
12. On the second PPP loan. What are the options if the business did not open until September of 2019?
 - a. If an applicant was in business on February 15, 2020 you can apply. See [guidance](#).
13. To clarify, second round PPP applications start on 1/13?
 - a. Yes, in a press release from SBA today it says: “To promote access to capital, initially only community financial institutions will be able to make

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First Draw PPP Loans on Monday, January 11, and Second Draw PPP Loans on Wednesday, January 13. The PPP will open to all participating lenders shortly thereafter.”

- i. Check with your lender to see if they will be included in the January 13th opening date.
14. PPP loan requires you to use fiscal quarters correctly? Not just any 12 week period that you choose?
 - a. You can pick between 8 weeks or 24 weeks. The “loan forgiveness covered period” is the period beginning on the date the lender disburses the PPP loan and ending on any date selected by the borrower that occurs during the period (i) beginning on the date that is 8 weeks after the date of disbursement and (ii) ending on the date that is 24 weeks after the date of disbursement.
15. Do my 2020 taxes need to be complete to apply for 2nd round of PPP?
 - a. No you will not be required to file 2020 tax returns but end of year financials will be needed. Contact the [Missouri SBDC at MSU](#) if you need assistance with this. If you are outside of Southwest Missouri, you can find your local center on our [statewide website](#).
16. IS ANY OF THE SECOND ROUND OF PPP GOING TO BE FORGIVEABLE?
 - a. Yes, it is the same process as the first round of PPP. There are some changes to acceptable use of funds. In addition SBA has stopped deducting the EIDL Advance from the forgiveness amount. If you already received forgiveness on the first round of PPP and had the EIDL Advance deducted SBA will be crediting that back to you. No timeline on this yet, but you can visit with your lender as the remitted amount will come directly from the lender.
17. The first EIDL that you called a “grant” or “advance” is that forgivable?
 - a. Yes, that was a program in 2020 tied to EIDL. It was a maximum of \$10,000 and forgivable. This is NOT available as of today.
18. Is the \$100k cap applies to just owner of the business or all employees based on a 24 week period?
 - a. Both owners and employees on an annualized basis, as prorated for the time period during which the payments are made or the obligation to make the payments is incurred
19. To clarify, if this is the first PPP for a business, do they need to demonstrate a 25% reduction in sales for 2020?
 - a. Details still need to be determined but in reading the new guidance it clearly states: “to be eligible for a **Second Draw** PPP Loan, the borrower must have experienced a revenue reduction of 25% or greater in 2020 relative to 2019”.
 - b. [The Business Loan Program Temporary Changes, Paycheck Protection Program guidelines](#) in reference to the first round does not specify this

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under “You are eligible if”. This will need to be verified with further guidance.

20. Is any information available on the Shuttered Venue Operator Grants yet?
- a. NO, SBA has not received any information on this program yet.
21. Does the 25% apply to PPP and EIDL?
- a. Only PPP loans
22. Please clarify the first EIDL “grant” - the 1 - 10K... those are grants and forgivable? Is EIDL a grant or a loan? Does it need to be paid back?
- a. Only the EIDL Advance portion of EIDL will be forgiven. The EIDL Advance was a program in 2020 and is NOT available at this time, as of today. There may be more information on the EIDL Advance in the future related to the Economic Aid Act.
23. How much money can I apply for each employee under the PPP?
- a. You do not apply for an amount per employee. Calculations are done based on gross payroll amounts over a certain period. Loan application documents and guidelines layout this calculation. The Missouri SBDC can assist with this as well. [Contact us](#) for individual assistance.
24. What numbers are used to determine total loan amount?
- a. Payroll figures for PPP
 - b. EIDL is based on working capital needs assessed through cost of goods sold and other expenses.
25. Isn't there a separate section of the new PPP designed for Nonprofits?
- a. Yes, non-profits have been expanded in the new [PPP guidelines](#).
26. How can I increase the loan amount? Sorry, didn't understand the first answer.
27. The new loan amount would be based on current (reduced) headcount, right? Not where we were originally and where we want to get back to.
- a. The second round will look at a new period of time to adjust for changes in headcount/payroll. Unlike First Draw PPP Loans, the Economic Aid Act provides that the relevant time period for calculating a borrower's payroll costs for a Second Draw PPP Loan is either the twelve-month period prior to when the loan is made or calendar year 2019. See [guidelines](#) page 13 for more information on this.
28. How long for forgiveness to come through?
- a. For those who requested in Sept/Oct 2020 – there was an issue, and some are still waiting. Others who just applied have gotten it quickly. There is a little backlog from the Sept/Oct. It can take over 90 days as this was a target so please be patient. No payments until determination is made.
29. Can we upload documents to the EIDL portal when asking for EIDL reconsiderations?
- a. This was inadvertently not asked during the webinar, but a great question. Mike was contacted to be sure and he suggested that yes, you should be

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able to upload all of your reconsideration forms into the portal. You can still email the reconsideration request using the presentation information on slides 9-13 and then upload the additional suggested documents to the portal.

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