



First Independence Bank Tapped Again as a Participatory Lender for Loan Re-Opening Program to Support Small Businesses

Small Business Administration Officially Announces Paycheck Protection Program Re-Opening with New Guidance Issued

Overview

The U.S. Small Business Administration (SBA), in consultation with the Treasury Department made an announcement that the Paycheck Protection Program (PPP) will re-open during the week of January 11 for new borrowers and existing PPP borrowers and certain existing PPP borrowers. To promote access to capital, initially only community financial institutions will be able to make First Draw PPP Loans (first time applicants) on Monday, January 11, and Second Draw PPP Loans (those who received PPP loans back in 2020) on Wednesday, January 13. The PPP will open to all participating lenders shortly thereafter.

Q&A

Q. What time can we expect to find the application link and when will the application be open?

A. First Independence Bank anticipates applicants can begin applying for the loan via its website on January 11, 2021.

Q. If I received a PPP in 2020 from another bank, can I apply for a PPP loan this round at FIB?

A. Yes. However, if you have not completed the forgiveness process the original PPP loan will need to be forgiven from the institution that made the loan.

Q. If I received a PPP loan in 2020 from another bank, can I apply for the forgiveness loan from FIB?

A. No. This issue was addressed in the previous question on how to complete the forgiveness.

Q. What is the difference between First Draw (FD) and Second Draw (SD)?

A. First Draw: Those who did not participate in PPP in 2020.

Second Draw: Those who received PPP in 2020 and still qualify (under the 2021 guideline updates) for PPP.

Q. What are the specific PPP updates:

A. Key PPP updates include:

- PPP borrowers can set their PPP loan's covered period to be any length between 8 and 24 weeks to best meet their business needs;
- PPP loans will cover additional expenses, including operations expenditures, property damage costs, supplier costs, and worker protection expenditures;
- The Program's eligibility is expanded to include 501(c)(6)s, housing cooperatives, destination marketing organizations, among other types of organizations;
- The PPP provides greater flexibility for seasonal employees;
- Certain existing PPP borrowers can request to modify their First Draw PPP Loan amount; and
- Certain existing PPP borrowers are now eligible to apply for a Second Draw PPP Loan.

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.

Q. Where can I find PPP application information:

A. For more information on SBA's assistance to small businesses, visit

sba.gov/ppp or treasury.gov/cares. Also, PPP loan information will also be made available at www.FirstIndependence.com.

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