

## **SBA Updates #2 5/13/20 - FAQ addressing borrowers' required good-faith certification concerning the necessity of their loan request, Interim Final Rule on Loan Increases**

### **PPP program**

[FAQ #46](#) provides additional guidance as to the borrowers' required good-faith certification concerning the necessity of their loan request. As a reminder, the Safe Harbor deadline is today, 5/14/20. A link to the entire FAQ document and other PPP guidance may be found [here](#).

### Interim Final Rule on Loan Increases

- Some PPP loans were approved to partnerships or seasonal employers before the additional guidance was issued and, as a result, those businesses may not have received PPP loans in the maximum amount for which they are eligible. This interim final rule authorizes all PPP lenders to increase existing PPP loans to partnerships or seasonal employers to include appropriate amounts to cover partner compensation in accordance with the interim final rule posted on April 14, 2020, or to permit the seasonal employer to calculate its maximum loan amount using the alternative criterion posted on April 28, 2020.
- In addition, although the interim final rule on disbursements posted on April 28, 2020, requires PPP loans to be disbursed in a single disbursement, if a PPP loan that is increased has already been disbursed, this interim final rule authorizes the lender to make an additional disbursement of the increased loan proceeds prior to submission of the initial SBA Form 1502 that includes that loan
- Quick summary points:
  - Guidance on increase of a PPP loan for a partnership that received a PPP loan that did not include any compensation for its partners.
  - Guidance for increase of a PPP loan for a seasonal employer received a PPP loan before the alternative criterion for determining the maximum loan amount for seasonal employers became available
  - Guidance for disbursements and 1502 Reporting on Increased PPP Loans
  - Be sure to check out the entire document for all the details.

PPP guidance/documents can be found at the [Treasury website](#) and the [SBA website](#)