

# Survive and Advance

## PPP Loan: NEW Treasury Guidance On Eligibility

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Late yesterday, the U.S. Treasury Department published new guidance around loan eligibility for the Paycheck Protection Program (PPP). Bottom line: businesses must certify they are in need of funding they cannot get from any other source. This applies to any new applications as well as loans that have been approved and/or funded. Be sure to consult with your CPA, Attorney, and lender if:

- You are in the process of applying for a PPP loan to consider your eligibility to receive one.
- You already have an existing SBA approval or have already received your PPP loan proceeds to determine if you can satisfy this new eligibility requirement or if you must repay your existing loan by May 7, 2020.

Until now, there was no specific guidance related to the eligibility requirement for a PPP loan that “uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the applicant.” The view of CPAs and Attorneys was that the phrase should be interpreted in light of the PPP’s goal of encouraging businesses to rehire and/or retain their employees in the face of uncertainty, and not in light of a business’ available financial resources.

The U.S. Treasury’s new guidance states that in assessing whether a PPP applicant has the requisite economic uncertainty, the applicant must take into consideration “their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business.” You can access the U.S. Treasury’s guidance and FAQs [HERE](#) – Question #31 addresses this new loan guidance.

In our purpose of Helping Others, we are here to help your business survive during these difficult times and advance out the other side stronger. More information on Coronavirus/ COVID-19 can be found [HERE](#) on our Smith Brothers Survive and Advance page. If you have any questions or would like to discuss this information further, please contact your Smith Brothers risk advisor.