

[Biden Administration Announces Measures to Target PPP Loans to Smallest Firms](#)

Firms with Under 20 Employees to Have Exclusive Application Period Starting Feb. 24

The White House today announced several measures to ensure the smallest firms have access to Paycheck Protection Program loans, including an exclusive application window for firms with fewer than 20 employees, a revised loan calculation and funding set-aside for sole proprietors and self-employed individuals and new eligibility for businesses owned by those with certain felony convictions. Five weeks after the PPP reopened, roughly \$150 billion—more than half of the amount authorized for the 2021 round of PPP—remains available. The current round of funding expires on March 31.

Specifically, the White House said that the Small Business Administration would:

- Provide an exclusive 14-day window, starting Wednesday, Feb. 24, when only businesses with fewer than 20 employees are eligible to apply.
- Set aside \$1 billion for PPP loans for sole proprietors, independent contractors and self-employed individuals in low-to-moderate-income areas and revise the loan calculation formula for these applicants. (According to press reports, the revised formula would only be available to new applicants, not retroactive.)
- Eliminate a rule restricting businesses at least 20% owned by an individual who was arrested for or convicted of a felony related to financial assistance fraud in the previous five years or any other felony within the previous year; the restriction will only apply to businesses with applicants or owners who are incarcerated from receiving PPP loans.
- Eliminate a rule restricting businesses at least 20% owned by an individual who is delinquent on student debt from receiving PPP loans.
- Clarify that non-citizens may apply using individual taxpayer identification numbers.

To prompt more applicants to self-report demographic data, SBA has already updated the loan application form to include demographic data on the front page, the White House said. Meanwhile, “SBA is launching a new initiative to deepen its relationships with lenders,” the White House added. “This model will increase opportunity for lenders to provide recommendations and ask questions about the PPP and drive resolution of open questions and concerns in a more streamlined way.”

