

Loan Name	Second Draw PPP loan	First Draw PPP Loan
What types of entities are eligible? (1)	Business concern, independent contractor, eligible self-employed individual, sole proprietor, veterans organization, Tribal business concern, housing cooperative, small agricultural cooperative, eligible 501(c)(6) organization, eligible destination marketing organization, 501(c)(3) nonprofit or an eligible nonprofit news organization.	Same types of eligible entities as Second Draw PPP
Are there revenue loss requirements?	Yes, the borrower must show a revenue reduction in gross receipts (2) of 25% or greater i) for one quarter in 2020 compared to the corresponding quarter in 2019 or ii) comparing calendar year 2019 to 2020. Special rules apply to borrowers not in business for the entirety of 2019.	No
What certifications will I be required to make?	You will be required to make the same certifications on the Second Draw application as the original PPP loan application with several additions, including certifications regarding decrease in revenue.	You will be required to make the same certifications on the First Draw applications as the original PPP loan application with several additions.
Do I have to spend my First Draw before getting a Second Draw? Is a First Draw still available?	A Second Draw Borrower must have i) received a First Draw PPP loan and ii) used, or will use, the full amount of the First Draw PPP loans for eligible expenses on or before the expected date the Second Draw PPP loan is disbursed.	In general, any eligible entity (see above) that did not already receive a First Draw PPP loan and was in operation on February 15, 2020 with employees for whom salaries were paid (or a self-employed individual, independent contractor or sole proprietorship with no employees) may apply for a First Draw PPP loan.
What are the applicant size limitations?	In general, no more than 300 employees with certain exceptions	In general, no more than 500 employees with certain exceptions
What is the maximum loan amount per entity?	\$2,000,000	\$10,000,000
How is the loan amount calculated generally? (3)	2.5 X average eligible monthly payroll costs based on 2020 or 2019 payroll; 3.5 X average eligible monthly payroll cost is allowed for applicants with NAICS code beginning with "72" (4)	2.5 X average eligible monthly payroll cost based on 2020 or 2019 payroll (4)
What is the interest rate?	1%	1%
What is the loan term?	5-years	5-years
Is the loan collateralized?	No	No
Does the loan require personal guaranties?	No	No
How must the PPP loan proceeds be used to receive full forgiveness?	At least 60% of the loan proceeds must be used on eligible payroll costs (including group benefits), the remaining 40% may be used on either mortgage interest, rent, utilities, interest on debt prior to Feb. 15, 2020, EIDL loan refinance and covered operations expenditures, property damage costs, supplier costs and worker protection expenditures. (5)	Same as Second Draw PPP
How long do I have to spend the PPP loan proceeds?	Applicants may choose between an 8-week or 24-week covered period	Same as Second Draw PPP
When may I apply for forgiveness?	Applicants may apply for forgiveness at any time once the PPP loan proceeds have been appropriately utilized, even if that is before the end of their chosen 8-week or 24-week covered period	Same as Second Draw PPP
When is the first payment due?	If the loan is forgiven in full, no payments will be due. If the loan is not forgiven in full, or the borrower does not apply for forgiveness within 10 months from the end of either their chosen 8-week or 24-week covered period, payments will begin based upon the outstanding balance and the remaining term left on the loan	Same as Second Draw PPP
Will the SBA make my name and loan amount available to the public?	Yes	Yes
How do I apply for a new PPP loan with BOK?	Complete the applicable PPP loan application found on the U.S. Treasury website or SBA website, the BOK Client Attestation, collect all required supporting documentation and submit to BOK as requested.	Same as Second Draw PPP
Where can I find the correct application?	<a href="https://home.treasury.gov/system/files/136/PPP-Second-Draw-Borrower-Application-Form.pdf">https://home.treasury.gov/system/files/136/PPP-Second-Draw-Borrower-Application-Form.pdf</a>	<a href="https://home.treasury.gov/system/files/136/PPP-Borrower-Application-Form.pdf">https://home.treasury.gov/system/files/136/PPP-Borrower-Application-Form.pdf</a>
What do I need to supply with my application?	For loans ≤ \$150,000, the applicant only needs to supply the PPP application, supporting payroll information and BOK Client Attestation and other information the BOK Documents Checklist. For loans > \$150,000, borrower must provide the above documentation plus documentation that verifies the 25% + reduction in gross revenue described above.	Applicant must supply third party payroll records verifying payroll, or Form 941s, from 2020 or 2019, along with evidence of any retirement and +E16 health insurance contributions and any other information required on the BOK Documents Checklist.
When is the SBA deadline to submit applications?	March 31, 2021 or until program funds expire, whichever occurs first. BOK will stop accepting applications prior to March 31, 2021 to allow time for processing applications prior to the SBA submission deadline.	Same as Second Draw PPP
Interim Final Rule:	<a href="https://home.treasury.gov/system/files/136/PPP-IFR-Second-Draw-Loans.pdf">https://home.treasury.gov/system/files/136/PPP-IFR-Second-Draw-Loans.pdf</a>	<a href="https://home.treasury.gov/system/files/136/PPP-IFR-Paycheck-Protection-Program-as-Amended-by-Economic-Aid-Act.pdf">https://home.treasury.gov/system/files/136/PPP-IFR-Paycheck-Protection-Program-as-Amended-by-Economic-Aid-Act.pdf</a>

**1) Who is NOT eligible for a Second Draw PPP Loan:**

- an applicant who was not eligible for a First-Draw PPP Loan;
- a business concern primarily engaged in political or lobbying activities;
- a business entity organized under the laws of the People's Republic of China, or that has a member of its Board of Directors who is a resident of the People's Republic of China;
- any person required to submit a registration statement under Section 2 of the Foreign Agents Registration Act of 1938;
- any person or entity who received a grant for shuttered venue operators under Section 324 of the Act;
- an entity controlled by the President, Vice President, the head of an Executive department or a Member of Congress (or the spouse of such person);
- a publicly held company;
- an entity that has previously received a Second-Draw PPP Loan; or
- an entity that is permanently closed.

**2) Calculation of "Gross Receipts":**

"Gross receipts" is defined as revenue in whatever form received or accrued (in accordance with the entity's accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. For sole proprietorships, independent contractors and self-employed individuals, your "gross income" on Schedule C is your "gross receipts". For all other business forms, "gross receipts" will be your total income, plus costs of goods sold, excluding net capital gains or losses.

"Gross receipts" do not include:

- taxes collected for and remitted to a taxing authority if included in gross or total income (such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees);
- proceeds from transactions between a concern and its domestic or foreign affiliates;
- amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker; and
- forgiven amounts from First-Draw PPP Loans.

An applicant with affiliates must include the gross receipts of all of its affiliates in its calculations of gross receipts. Note that special rules relate to calculation of gross receipts relating to affiliates acquired or sold during the calculation period.

**3) How is the 2nd Draw Loan amount calculated?**

**Generally:** The amount of the Second-Draw PPP Loan is generally equal to the lesser of (a) 2.5 multiplied by the borrower's average monthly payroll costs, and (b) \$2,000,000. Borrower's average monthly payroll costs may be based on calendar year 2020, calendar year 2019 or the 12 months preceding the application (for certain borrowers), as selected by the borrower.

**Self-employed Individuals:**

**Without Employees.** The maximum amount of the Second-Draw PPP Loan for a self-employed individual without employees is (a) 2.5 multiplied by, the net profit of 2019 or 2020 (as reported on IRS Form Schedule C) that is not more than \$100,000, divided by 12.

**With Employees.** The maximum amount of the Second-Draw PPP Loan for a self-employed individual with employees is the lesser of (a) 2.5 multiplied by the sum of (i) the net profit of borrower in 2019 or 2020 (as reported on IRS Form 1040 Schedule C) that is not more than \$100,000, divided by 12, and (ii) the average total monthly payment for employee payroll costs incurred or paid by the borrower during the year elected by borrower; and (b) \$2,000,000.

**Partnerships:** The maximum amount of the Second-Draw PPP Loan to a borrower that files taxes as a partnership is the lesser of (a) 2.5 multiplied by the sum of (i) net earnings from self-employment of individual general partners in 2019 or 2020 (at the election of the borrower), as reported on IRS Form 965 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.923537, that is not more than \$100,000, divided by 12 and (ii) the average total monthly payment for employee payroll costs incurred or paid by the borrower during the same year elected by the borrower; and (b) \$2,000,000.

**Seasonal Employers:** The maximum amount of a Second-Draw PPP Loan for a seasonal employer is the lesser of (a) 2.5 multiplied by average monthly payroll costs for any 12-week period between February 15, 2019 and February 15, 2020, or (b) \$2,000,000.

**Borrower that did not exist during 1-year period prior to February 15, 2020:** For a borrower that did not exist during the 1-year period prior to February 15, 2020, but that was in operation on February 15, 2020, the maximum amount of the Second-Draw PPP Loan is the lesser of (a) 2.5 multiplied by total monthly payroll costs incurred by the borrower as of date of application divided by the number of months over which such payroll costs were incurred, and (b) \$2,000,000.

**NAICS 72 Entities:** The maximum amount of the Second-Draw PPP Loan for a borrower assigned an NAICS code beginning with "72" is the lesser of (a) 3.5 multiplied by the borrower's average monthly payroll costs, and (b) \$2,000,000. NAICS 72 entities can substitute "3.5" for "2.5" in all instances when calculating the maximum amount of their Second-Draw PPP Loan.

**4) What qualifies as "Payroll Costs"?:**

"Payroll costs" include:

- compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation;
- cash tips or the equivalent (based on employer records of past tips, or in the absence of such records, a reasonable, good-faith employer estimate of such tips);
- payment for vacation, parental, family, medical or sick leave;
- allowance for separation or dismissal;
- payment for the provision of employee benefits consisting of group health care or group life, disability, vision or dental insurance, including insurance premiums, and retirement;
- payment of state and local taxes assessed on the compensation of employees; and for an independent contractor or sole proprietor, wages, commissions, income or net earnings from self-employment, or similar compensation.

"Payroll Costs" do not include:

- Any compensation of any employee whose principal place of residence is outside of the United States;
- The compensation of an individual employee in excess of \$100,000 on an annualized basis, as prorated for the period during which the payments were made or the obligation to make the payments is incurred;
- Federal employment taxes imposed or withheld during the applicable period, including the employee's and employer's share of FICA and income taxes required to be withheld from employees; and
- Qualified sick and family leave wages for which a credit is allowed under the Families First Coronavirus Response Act.

**5) What are "Covered Operations Expenditures"?** Payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment or tracking of payroll expenses, human resources, sales and billing functions, or accounting tracking of supplies, inventory, records or expenses.

**What are "Covered Property Damage Costs"?** Costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that are not covered by insurance or other compensation.

**What are "Covered Supplier Costs"?** Expenditures made by a borrower to a supplier of goods for the supply of goods that - (A) are essential to the operations of the borrower at the time at which the expenditures is made; and (B) is made pursuant to a contract, order or purchase order (i) in effect at any time before the covered period with respect to the applicable covered loan; or (ii) with respect to perishable goods, in effect before or at any time during the covered period with respect to the applicable covered loan.

**What are "Worker Protection Expenditures"?** (A) Operation or a capital expenditures to facilitate the adaption of the business activities of an entity to comply with requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period beginning on March 1, 2020 and ending on the date on which the national emergency with respect to the COVID-19 expires related to the maintenance of standards for sanitation, social distancing or another worker or customer safety requirements related to COVID-19 (B) such expenditures may include - (i) purchase, maintenance, or renovation of assets that create or expand -- (I) drive-through window facility; (II) an indoor, outdoor or combined air and air pressure ventilation or filtration systems; (III) a physical barrier such as a sneeze guard; (IV) an expansion of additional indoor, outdoor, or combined business space; (V) an onsite or offsite health screening capability; or (VI) other assets relating to the compliance with the requirements or guidance desired in subparagraph (A), as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and (ii) the purchase of -- (I) covered materials described in section 328.103(a) of title 44, Code of Federal Regulations, or any successor regulation; (II) particulate filtering face piece respirators approved by the National Institute for Occupational Safety and Health, including those approved only for emergency use authorizations or (III) other kinds of personal protective equipment, as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and (C) such expenditures do not include residential real property or intangible property.

**This information is provided as a summary and does not constitute legal, accounting, financial or tax advice. We encourage you to read the laws and regulations in their entirety. Laws, regulations and guidance are changing rapidly and decisions as to whether or how to use this information, what actions to take with regard to PPP, eligibility and how to complete the necessary PPP forms, rests solely with each PPP borrower. We recommend that you consult with your attorneys, accountants and other advisors. The providers of this information disclaim any and all liability for its accuracy, completeness or fitness for a particular purpose.**