

Banking & Financial Services

Congress readies more PPP funding for small businesses. Here's what you need to know. 🔑



The SBA Paycheck Protection Program is set to get more funding from Congress, but there are still more questions swirling around the program's details. We get into the weeds to answer your questions.

Congress [seems poised to pass](#) hundreds of billions of dollars in fresh funding for the Small Business Administration's Paycheck Protection Program after the original \$349 billion [dried up April 16](#), within two weeks of accepting its first application.

But even with supplemental funding for the forgivable loan program, it likely will remain a first-come, first-serve prospect. So, what should small businesses do? We reached out to experts from across the lending industry to weigh in on the most commonly asked questions [regarding the sought-after program](#).

What is the difference between a PLP number and an SBA number?

"PLP," which stands for "Preferred Lending Program," is a designation given to a lender that means it can approve loans instead of the SBA, according to [Ed Hild](#), principal in the federal government relations group at law firm [Buchanan Ingersoll & Rooney PC](#), which has offices across the country. SBA numbers are for loans not done through a PLP, he said.

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But, he cautioned, getting that number does not automatically come with the money, which takes time.

If Congress authorizes new PPP funding, do I need to reapply for a loan under the program if I already had an application underway, but still not yet approved?

Lenders we spoke to were unanimous on this: in most cases, no. Your lender most likely retained your information, so you need not resubmit it. Many have continued to process loan applications to ready them in the hopes of the program receiving new funding.

That said, it is probably best to double-check with your lender of choice.

If I applied at one bank but am far back in the queue, should I apply at another as well?

It seems small businesses have two options, given one fact: Only one loan application per business can be authorized through the SBA's electronic system, E-Tran. After that, any other applications en route that use the same employer identification number, even from different banks, will essentially bounce back.

[Chain Bridge Bank](#) Vice President of Strategy [Richard Danker](#)'s advice is to find and stick with one trustworthy bank, rather than putting out multiple applications that tax various lenders' time and ultimately must be revoked after one wins approval.

The other option is for small businesses to apply through multiple lenders and once they score an approval, cancel the other applications or wait for them to bounce back, said [Libby Morris](#), head of U.S. operations at Funding Circle, a San Francisco financial technology firm that's an approved PPP lender.

"Communication is key and, if a borrower's current lender feels they are unable to process their application before funds are exhausted, it may be advisable to seek other resources," Barry said in a statement.

Guidance for 1099 contract workers came out several days after banks started accepting PPP applications. If I included 1099 workers and get rejected based on that, does that void my entire application or will it be revised to the correct amount?

The SBA's guidance states that “borrowers and lenders may rely on the laws, rules and guidance available at the time of the relevant application. However, borrowers whose previously submitted loan applications have not yet been processed may revise their applications based on clarifications reflected in these FAQs,” said [Gerri Detweiler](#), business financing and credit expert at Nav Technologies Inc., a Salt Lake City platform that connects borrowers to PPP lenders.

In short, small businesses should not be penalized if their applications don't reflect later guidance. But ask your bank if it's too late to revise your application, as this could affect how much of your loan is ultimately forgivable. And much of that can get caught during the loan process itself.

"When a request was identified with an incorrect loan amount calculation, our team worked with the borrowers to revise their eligible loan amount and consulted with them to educate them, first, on the appropriate loan amount for their business and, secondly, to inform them about the process their 1099 contractors could take to apply for their own PPP loan," Barry said.

I got approved! How long does it typically take between approval and when I see the money?

The lender has up to 10 calendar days to start disbursing the money, Hild said. Danker said about a week is a good rule of thumb. Lenders may choose to disburse the entire amount all at once or in portions over the course of the loan period. Capital Bank and Funding Circle, for instance, are both paying out full loan amounts at once.