



Posting of an SBA Eligibility criteria summary in response to questions:

## Treasury and SBA Additional Eligibility Criteria

On 4/14/2020 the Treasury and SBA issued clarifying information to the interim final rule- (Business Loan Program Temporary Changes; Paycheck Protection Program – Additional Eligibility Criteria and Requirements for Certain Pledges of Loans).

Page 14, of the rule Clarification regarding Eligible Businesses answers the question: Are eligible businesses owned by directors or shareholders of a PPP Lender permitted to apply for a PPP Loan through the Lender with which they are associated?

- SBA regulations (including 13 CFR 120.110 and 120.140) shall not apply to prohibit an otherwise eligible business owned (in whole or part) by an outside director or holder of a less than 30 percent equity interest in a PPP Lender from obtaining a PPP loan from the PPP Lender on whose board the director serves or in which the equity owner holds an interest, provided that the eligible business owned by the director or equity holder follows the same process as any similarly situated customer or account holder of the Lender.
- Favoritism by the Lender in processing time or prioritization of the director's or equity holder's PPP application is prohibited.
- Lenders should also consult their own internal policies concerning lending to individuals or entities associated with the Lender.

This *does not* apply to a director or owner who is also an officer or key employee of the PPP Lender:

- Officers and key employees of a PPP Lender may obtain a PPP Loan from a different lender, but not from the PPP Lender with which they are associated.
- Each PPP Loan is subject to the limitations described in the Lender Application Form, which states in relevant part: "Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant [Borrower]."