



City of Monterey Park News Release

www.MontereyPark.ca.gov

US SBA Offers Restaurants, Hotels Larger Loans from 2nd Round of PPP

The latest round of the Paycheck Protection Program (PPP) allows restaurants that can show a 25% decline or more in gross receipts to apply for loans up to 3.5 times their monthly payroll costs

Monterey Park, Calif. - January 11, 2021 - January 11, marks the start of the US Paycheck Protection Program's latest round, which will begin distributing loans to restaurants and other small businesses that are first-time recipients. On Wednesday, lending will expand to previous borrowers applying for a second PPP loan. The \$284 billion fund is expected to distribute loans through March 31, 2021.

In the key change of the PPP-2, as the new round is being called, hotels and restaurants can apply for a loan up to 3.5 times their monthly payroll costs if they can show their gross receipts dropped by 25% or more, year-over-year, for at least one quarter in 2020. Under last year's version, they could only apply for up to 2.5 times their costs.

Other types of businesses can apply for PPP-2 if they can show the same 25% drop in gross receipts, but they're limited to the 2.5 times payroll amount. The new PPP-2 also allows businesses that received a loan under the first round to take a second draw.

This new funding brings a glimmer of hope for restaurants that have been able to survive months of ever-changing COVID-19 regulations and their impact on outdoor and indoor dining.

For more information and to apply for PPP-2, please visit the US Small Business Administration (SBA) PPP webpage at www.sba.gov/ppp.

Media Contact

Joseph Torres, Economic Development Manager

econdev@montereypark.ca.gov

626-307-1314

www.MontereyPark.ca.gov

Subscribe to City of Monterey Park news flashes at www.MontereyPark.ca.gov/NotifyMe