



ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

AADA NEWS AND UPDATE JANUARY 14, 2021 - BULLETIN #1

LATEST UPDATES ON THE NEW PPP LOAN PROGRAM

The Small Business Administration has reopened its Paycheck Protection Program (PPP) in accordance with the Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act by making \$284 billion available to new (First Draw) and certain existing (Second Draw) borrowers. **Tomorrow, January 15**, SBA will re-open the PPP loan application portal to approximately 5,000 PPP-eligible lenders with \$1 billion or less in assets, including community banks, credit unions and farm credit institutions. The portal fully reopens to all participating PPP lenders on January 19.

The SBA has issued the following new PPP loan guidance:

- [Top-Line Overview of First Draw PPP Loans](#);
- [Form 2483 – First Draw Borrower Application](#);
- [Procedural Notice: First Draw PPP Loan Increases After Enactment of Economic Aid Act](#)
- [Top-Line Overview of Second Draw PPP Loans](#);
- [Form 2483-SD: Second Draw Borrower Application](#);
- [Guidance on Accessing Capital for Minority, Underserved, Veteran, and Women-owned Business Concerns](#);
- [Interim Final Rule on Paycheck Protection Program as Amended by Economic Aid Act](#); and
- [Interim Final Rule on Second Draw PPP Loans](#).

Under the new PPP loan program:

- there may be a time lapse between loan application and loan funding, but the loan forgiveness process should be quicker;

- maximum potential loan amounts for Second Draw PPP loans are \$2 million per loan and \$4 million per corporate group;
- borrowers can adopt covered periods of between eight and 24 weeks;
- in addition to previously allowed expenses, new loan proceeds may be used for certain operational, property damage, supplier and worker protection expenditures;
- potential PPP borrowers now include 501(c)(6) nonprofits; and
- certain First Draw PPP loan borrowers are eligible to modify their loan amounts.

A PPP borrower is generally eligible to apply for a Second Draw PPP loan if it:

- has received a First Draw PPP loan and fully uses the proceeds for authorized expenses only;
- has no more than 300 employees; and
- can show at least a 25% reduction in gross receipts between comparable calendar quarters in 2019 and 2020.

Important: Dealerships applying for a new PPP loan must certify that the loan is “necessary to support ongoing business operations in light of current economic conditions.” This parallels the certification dealerships made when applying for PPP loans in 2020. But for many dealerships, current market conditions and economic circumstances are better than what they were when PPP loan applications were filed between April and August 2020.

Dealers interested in applying for new PPP loans should consult with legal counsel, accountants and prospective lenders.



DID YOU SEE!!

As the 2021 Virtual NADA Show gets closer to kicking off on February 9, Arkansas' own Mack McLarty spoke this week during the Auto Executive Outlook series.

Mr. McLarty presented on the 2021 Presidential Transition and What Will it Mean for Franchised Dealers and the Country. Mr. McLarty is uniquely positioned to discuss the political landscape in Washington from a dealer's perspective having served as President Bill Clinton's first White Chief of Staff and is part of a fourth-generation family auto business.

In case you missed this presentation, you still have an opportunity to access it on demand, but you have to [REGISTER FOR THE NADA SHOW TODAY!!](#)

For more information on the 2021 Virtual NADA Show [CLICK HERE.](#)



2021 LEGISLATIVE SESSION KICKS OFF

The Arkansas Legislature convened the 93rd General Assembly on Monday, January 11, 2021. AADA is working hard this session to make sure dealer interests are heard by every member of this legislature.

In an effort to keep dealers informed, we will send out weekly updates throughout the session offering details on important bills and actions that impact our industry.

Please contact Greg Kirkpatrick at (501) 590-2840 or by email at greg@arkautodealers.com if you have any questions or concerns during this session.

ADDITIONAL AND HELPFUL LINKS

For additional information related to maintaining your dealership as safe, we would recommend monitoring updates from the [CDC](#), [OSHA](#), and the [Arkansas Department of Health](#).

Please go to our website for links to information your dealership needs at [AADA coronavirus update](#).

As a reminder, NADA has produced a tremendous amount of resources to help dealers and their operations during the coronavirus pandemic. The site and the links will be updated continuously; bookmark the address, and click on the links as you need them for the latest versions of everything CARES Act, SBA, PPP, Tax Relief and more. Please check it out here: <https://www.nada.org/coronavirus/regulatory/>.

AADA will work to keep you updated on this situation, but a firm commitment to maintaining a safe and clean work environment for your employees and customers will help you navigate this health crisis.

If you have any questions about this bulletin please don't hesitate to call, 501-372-2596, or email Greg Kirkpatrick greg@arkautodealers.com.
