

# PPP First Draw Loan Increases

January 28, 2021

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Dear Valued Customer,

Certain qualified Paycheck Protection Program (PPP) borrowers can now request an increase on their first draw PPP loan.

**Please note: Borrowers are only eligible for an increase on their first draw PPP loan if they have not yet received forgiveness.**

## Who can request an increase?

You may apply for an increase, up to the original approved amount, on your first draw PPP loan if:

- You returned or repaid a portion of your first draw PPP loan funds by December 27, 2020.
- You did not accept the full amount of your first draw PPP loan.

## I repaid all of my PPP loan funds. Can I apply?

You may apply for a new first draw loan, up to the maximum loan amount using the new first draw rules if:

- You returned or repaid all of your PPP first draw loan funds by December 27, 2020.

There are three exceptions to the rules noted above:

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### 1) Partnerships

You may also qualify for an increase if your business is a **partnership** and:

- You took PPP funds.
- You have not received forgiveness on your original PPP loan.
- Your original loan amount did not include compensation for the partner(s).
  - i. You may apply for the increase to include partner compensation.

## 2) Seasonal Employers

You may also qualify for an increase if you are a [seasonal employer](#) who:

- Previously received a PPP loan.
  - i. You may request an increase if you would have been eligible for a higher maximum loan as calculated by using the average total monthly payments for payroll for any 12 week period between February 15, 2019 and February 15, 2020.
- If the calculation results in a higher maximum loan amount, the borrower is eligible to apply for an increase of that amount.
- Operates for no more than 7 months in a year or had gross receipts for any 6 months of that year and you earned no more than one-third of its receipts in the other 6 months of that year.

## 3) Farmers/Ranchers

You may also qualify for an increase if you are a [farmer or rancher](#) and:

- You previously received a PPP loan.
- You operate as a sole proprietor or as an independent contractor, or are an eligible self-employed individual.
- Reports farm income on a Scheduled F (Form 1040).
  - i. Farmers and Ranchers can use their 2019 or 2020 schedule F gross revenue up to \$100,000.
- Were in business as of February 15, 2020.

## How to Apply

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If you fit into one of the scenarios above and would like to apply, please fill out the first draw [PPP loan application form 2483](#) to recertify. You will also be required to provide supporting documentation as evidence.

- Partnerships will need to provide documentation as evidence of partner payroll support, which was not included in the original application.

### Second Draw PPP Loans

If you do not qualify for an increase based on any scenario above, you may qualify for a second draw loan.

If you have any questions, please reach out to your Washington Trust banker or visit [watrust.com/ReliefBill](http://watrust.com/ReliefBill) to learn more.