The SBA issued an interim final rule (the “Rule”) capping the total amount of PPP loans that a single corporate group can receive. The Rule states that “businesses that are part of a single corporate group shall in no event receive more than $20,000,000 of PPP loans in the aggregate.” Businesses are considered part of a single corporate group if they are “majority owned, directly or indirectly, by a common parent.” The limit is immediately effective for loans that have not been fully disbursed as of April 30, 2020. For loans that have been partially disbursed, this limitation applies to any additional disbursement that would cause the total PPP loans to a single corporate group to exceed $20 million.

An applicant must notify the lender if it has applied for or received PPP loans in excess of amounts allowed, and withdraw or request cancellation of any pending PPP loan application or approved PPP loan that is not in compliance with the limitation. Failure by the applicant to do so will be regarded as a use of PPP funds for unauthorized purposes, and the loan will not be eligible for forgiveness.
Please note that **businesses are subject to this limitation even if the businesses are eligible for the waiver-of-affiliation provisions or are otherwise not considered to be affiliates.**


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