

ALBANY BUSINESS REVIEW

The PPP rules have changed, and one of New York's biggest SBA lenders says many businesses could benefit



Chris Levy is a senior vice president at Pursuit, who has been leading the Paycheck Protection Program for the lender. PURSUIT



By Chelsea Diana – Reporter, Albany Business Review
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One of New York's largest small business lenders says more companies and individuals are reaching out to apply for Paycheck Protection Program loans again [after sweeping changes](#) to the federal program.

Pursuit senior vice president [Chris Levy](#), who has been leading the organization's PPP program, said the rule changes provide a new opportunity for businesses to apply for the Small Business Administration's forgivable loan program after they didn't think the program was a good fit for them before.

"Borrowers we worked with a month ago decided to hold off and now they're coming back and saying, I see the rules changed," Levy said. "Especially in industries like restaurants that are unable to open at this time. They now have the ability to get the loan forgiven. They're much more excited about the program and are pushing to get a loan."

In recent weeks, business owners and executives have said the eight-week forgivable loan program was not working for them, especially in states like New York where many businesses have not yet been able to open at full capacity.

Among the important details of the [changes passed this week](#) by the Senate, and signed Friday by the president:

- It allows businesses more time to spend PPP money — increasing from eight weeks to 24 weeks — to get the best possible chance of loan forgiveness.
- It removes the limits on loan forgiveness for small businesses that were unable to rehire employees
- The cap on using PPP funds on nonpayroll expenses — such as rent, mortgage interest and utilities — rises to 40% of the total loan, from 25%.

"This helps any business that had a struggle to reopen," Levy said. "A normal office isn't struggling here. It's the ones where there is contact and a longer period to reopen. It will help any retailer or restaurant or construction worker and contractor or self-employed painter ... It's going to even the playing field for everybody. It's no longer going to favor a business that will remain open or partially open, everyone will benefit equally."

Levy said the extension of the forgiveness period is the most advantageous change. He said it will essentially turn PPP from a loan into a grant for many businesses.

He expects new loan applications to pick up again — there is still more than \$100 billion left in the \$649 billion program.

"We're going to see a big influx of new applicants coming in now," Levy said. "Having that ability to know you can spend it over a longer 24-week period will allow people who thought they wouldn't benefit to now benefit."

Pursuit — formerly known as the New York Business Development Corp. — offers loans through the U.S. Small Business Administration and other programs to small businesses in New York, New Jersey and Pennsylvania. The lender is financed by banks throughout the state and by the New York State Common Retirement Fund.

The organization has approved more than 5,500 applications through the PPP program with a median loan amount of \$25,000.

"Throughout this process, we have been preaching patience with our borrowers. That still has to be the case here," Levy said. "SBA and Treasury still have to put out new guidance and a new application form. There still will be changes and people have to be patient and wait it out before they make crazy decisions. Every day it seems like there's a new rule and a new change. That information is important."

Top Albany-area SBA Lenders

Ranked by Value of approved local SBA loans in 2019

Rank	Business Name	Value Of Approved Local SBA Loans In 2019
1	Berkshire Bank	\$14.62 million
2	Empire State Certified Development Corp.	\$11.59 million
3	New York Business Development Corp.	\$4.78 million

<https://www.bizjournals.com/albany/news/2020/06/05/ppp-rule-changes-make-loans-more-attractive.html>