

Contribute**American Rescue Plan Act Duplication of Benefits concerns and alerts****FACT CHECK****DUPLICATION OF BENEFITS****SBA EIDL - PPP - SVOG**

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SVO Grant is a duplication of benefits with the SBA EIDL and any PPP Draw. A duplication of benefits occurs when your business (including self-employed gig workers) receives financial assistance which can be in the form of federal secured loans (SBA EIDL) or US Treasury secured loans (PPP) or Federal Grants (SVOG) from multiple sources (PPP,EIDL,SVOG) for the same purpose, and the total assistance received for that purpose is more than the total need for assistance.

The American Rescue Plan Act also revises section 324 of the Economic Aid Act to provide that businesses that receive a PPP loan after December 27, 2020 are no longer ineligible for a Shuttered Venue Operator (SVO) Grant under certain conditions.

Specifically, if a PPP borrower receives a First Draw or Second Draw PPP Loan after December 27, 2020, the amount of any subsequently-approved SVO grant will be reduced by the amount of the First Draw or Second Draw PPP Loan. (If a PPP borrower receives both a First Draw and a Second Draw PPP Loan after December 27, 2020, the amount of any subsequently-approved SVO grant will be reduced by the combined amount of both PPP loans.)

However, because sections 7(a)(36)(U) and 7(a)(37)(A)(iv)(III)(ee) of the Small Business Act were not amended by the American Rescue Plan Act, if a PPP applicant is approved for an SVO grant before SBA issues a loan number for the PPP loan, the applicant is ineligible for the PPP loan and acceptance of any PPP loan proceeds will be considered an unauthorized use.

Question: 5. Is an entity that applied for a First Draw or Second Draw PPP loan on or after Dec. 27, 2020, eligible to apply for an SVOG?

Answer: **No**. Both examples would not be eligible to apply for an SVOG unless and until the PPP loan application (whether First Draw or Second Draw) is declined.

Research Resources

- [Ask us about H.R. 133 Section 324 titled Save Our Stages \(SOS\) Shuttered Venue Operator Grants](#)

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