


Paycheck Protection Program


Recommendations for Loan Recovery

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Paycheck Protection Program (PPP)

The 2020 CARES Act established \$953-billion in loans guaranteed by the US federal government



Scope of the program



Low-interest private loans

In partnership with originating and servicing lenders



Coverage for Operational Costs

Payroll, rent, interest, utilities, healthcare



Loan Forgiveness

Guaranteed by the Small Business Administration (SBA)



Efficacy

2 to 3 million job-years of employment may have been preserved



Auditing the efficacy of PPP



A 2022 study found that less than 34 percent of PPP dollars went directly to workers.²

The majority share of funds were accrued by business owners, shareholders, and lending institutions.

Alternatives to support the pandemic economy

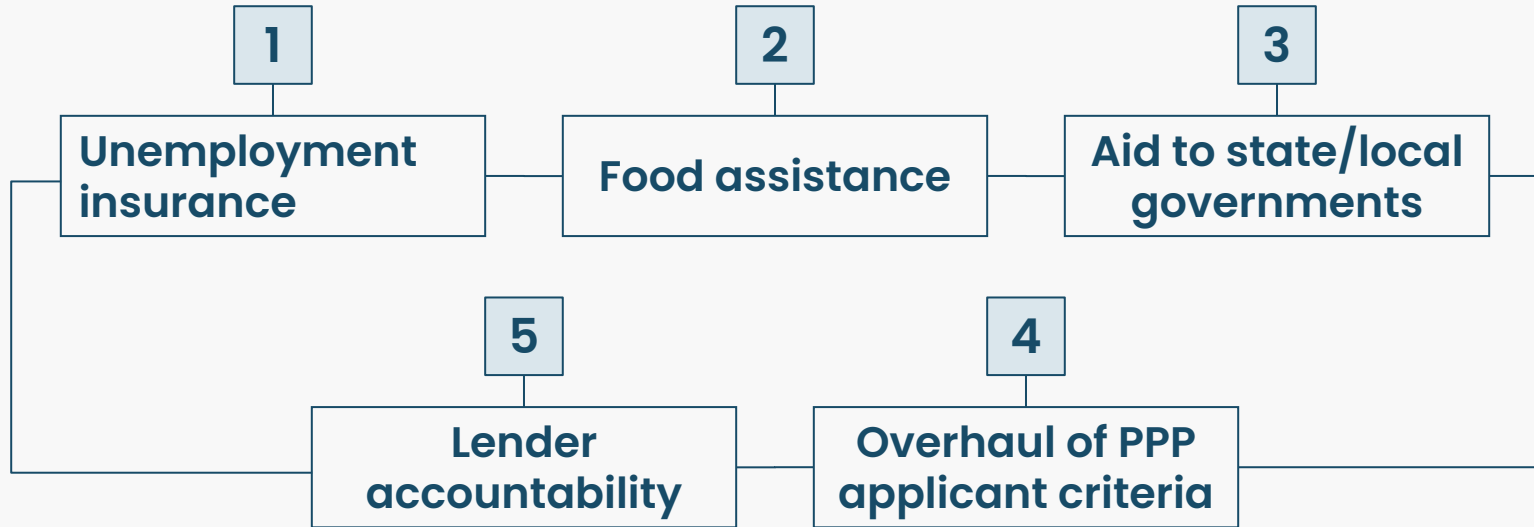


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01

Mission Objective

A robust classification model to predict if a small business will repay a PPP loan.



02

Exploratory Data Analysis

Trends and characteristics of in loan features



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Strategic options: Risks



Use a different color for the strategic option you recommend the company to choose

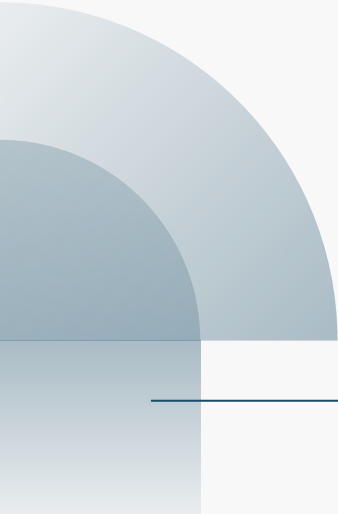


Thanks!

Any questions?

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References

- (1) <https://data.sba.gov/dataset/ppp-foia>
- (2) <https://www.stlouisfed.org/publications/regional-economist/2022/jul/was-paycheck-protection-program-effective>

