

Senate Takes Up Paycheck Protection Program Flexibility Act of 2020

Today, the United States Senate began deliberations on the Paycheck Protection Program Flexibility Act of 2020 (H.R. 7010), which was passed by the House of Representatives last week. Although not yet law, the key highlights of the bill are as follows:

Key Highlights

- PPP loans would have a statutory minimum maturity of five years. Previously, the SBA and Treasury had, by regulation, set the maturity at two years. This would only apply to loans made after this Act.
- The bill would extend the time period in which a borrower could obtain a loan to December 31, 2020. Note, however, that the more important deadline for a borrower is the exhaustion of funds appropriated to the PPP program.
- The bill would extend the time period in which borrowers are allowed to use PPP funds and then seek forgiveness from eight weeks after loan origination to the earlier of 24 weeks after origination or December 31, 2020.
- The bill adds in an exemption to the reduction in forgiveness based on reduced headcount of employees where: (1) the borrower is unable to rehire individuals who were employees or similarly qualified persons, or (2) there is a documented inability to return to pre-COVID business activity due to social distancing, sanitation, or other worker or safety requirements.
- The bill allows PPP borrowers to defer payment on employer portion of payroll taxes from March 27, 2020 to the end of the year.

[The text of the bill can be found here.](#)

Contact Us

Reach out to Fraser Stryker's business attorneys for more information. We are here to help:



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