

New Paycheck Protection Program Flexibility Act Provides Significant Relief to Borrowers

On Friday, June 5, 2020, President Trump signed the Paycheck Protection Program (PPP) Flexibility Act of 2020, which provides welcome relief to businesses with PPP loans by extending the period for borrowers to use PPP loan proceeds for payroll costs, extending the date for borrowers to rehire employees, reducing the amount of payroll costs required for forgiveness of the loan, and modifying the period to repay loans that are not forgiven.

Significant provisions of the Act are as follows:

With these changes, the SBA will likely amend its Loan Forgiveness Application and may also issue further guidance documents. We will continue to monitor forthcoming regulations and guidance and will provide timely updates.

Please contact the authors of this Alert with questions or to discuss your specific circumstances.

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