



On Thursday, May 28 the House passed the Paycheck Protection Program Flexibility Act of 2020 by a vote of 417-1. This bill proposes updated restrictions to make it easier for businesses to have their PPP loans forgiven. The Senate is expected to vote on the bill in the near future, which will likely tweak some of the provisions. Below is a summary of the House's proposed legislation.

PROPOSED CHANGES TO PPP LOAN FORGIVENESS

- Covered period extended to **24 weeks** rather than **8 weeks**
- Rehire exemption date extended to **December 31, 2020** from **June 30, 2020**
- If FTEs and wages are not restored by December 31st, the loan forgiveness will not be reduced if the borrower is:
 - Unable to rehire an individual who was an employee on or before 2/15/20
 - Able to demonstrate an inability to hire similarly qualified employees on or before 12/31/20 OR
 - Able to demonstrate inability to return to same level of business activity such business was operating at prior to 2/15/20
- Of your forgivable loan amount, a minimum of **60%** would need to be used for payroll, as opposed to the current **75%**.
- Businesses would be required to apply for forgiveness within 10 months of the end of the covered period.
- If a covered loan was received prior to this enactment, the borrower **may elect to keep their original 8-week covered period.**
- Taxpayers that have a PPP loan forgiven would now also be eligible to **delay payment of employer payroll taxes** – they were previously prevented from doing so if they had a PPP loan forgiven.
- PPP loans would have a **5 year loan term** rather than **2 year** loan term.

Keep in mind that the above provisions are in the proposed bill, and **can and will change to some degree.** We will update this post as the bill progresses.

Our advisors are closely following COVID-19 relief efforts and will continue to publish insights to keep you informed about potential business impacts and benefits. Visit our [COVID-19 Resource Center](#) for more news, tools and insights you need to know in these uncertain times.